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☐ Individual appearing without attorney  
☒ Attorney for: Charles W. Daff, Chapter 7 Trustee

FOR COURT USE ONLY

UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION

In re:

CHARLES DAVID ARTHUR and  
CLAIRE BIGORNIA BLANZA ARTHUR,

CASE NO.: 6:16-bk-19150-MH

## CHAPTER: 7

## NOTICE OF SALE OF ESTATE PROPERTY

Debtor(s).

**Sale Date:** 05/17/2017

**Time:** 11:00 am

**Location:** Courtroom 303, U.S. Bankruptcy Court, 3420 Twelfth Street, Riverside, CA 92501

**Type of Sale:** ☐ Public ☒ Private

**Last date to file objections: 05/03/2017**

**Description of property to be sold:** Real Property located at 35965 Carlton Road, Wildomar, CA 92595

**Terms and conditions of sale:** See attached Statement of Information in Compliance with LBR 6004-1(c)(3).

**Proposed sale price:** Subject to short sale lender approval of buyer, sale price and costs of sale.

Overbid procedure (*if any*): Not applicable

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If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

May 17, 2017 at 11:00 am.

Courtroom 303

U.S. Bankruptcy Court

3420 Twelfth Street

Riverside, CA 92501

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Contact person for potential bidders (*include name, address, telephone, fax and/or email address*):

Lynda T. Bui, Esq. or Rika M. Kido, Esq.

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Date: 04/25/2017

**Attachments:**

- (1) Notice of Motion (includes the Statement of Information and the Sale Motion)**
- (3) Proof of Service**

<p>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</p> <p>Lynda T. Bui - Bar No. 201002 Rika M. Kido - Bar No. 273780 SHULMAN HODGES &amp; BASTIAN LLP 100 Spectrum Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: lbui@shblp.com; rkido@shblp.com</p> <p><input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Charles W. Daff, Chapter 7 Trustee</p>	<p>FOR COURT USE ONLY</p>
<p style="text-align: center;"><b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION</b></p>	
<p>In re:</p> <p>CHARLES DAVID ARTHUR and CLAIRE BIGORNIA BLANZA ARTHUR</p> <p style="text-align: right;">Debtor(s).</p>	<p>CASE NO.: 6:16-bk-19150-MH CHAPTER: 7</p> <p><b>NOTICE OF MOTION FOR:</b></p> <p>Chapter 7 Trustee's Motion for Order: (1) Authorizing the Short Sale of Real Property of the Estate Free and Clear of Liens Pursuant to Bankruptcy Code §§ 363(b) and 363(f); (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief</p> <p><b>(Specify name of Motion)</b></p> <p>DATE: 05/17/2017 TIME: 11:00 am COURTROOM: 303 PLACE: U.S. Bankruptcy Court 3420 Twelfth Street Riverside, CA 92501-3819</p>

1. TO (*specify name*): Debtors and their counsel, the United States Trustee, creditors and other parties in interest
2. NOTICE IS HEREBY GIVEN that on the following date and time and in the indicated courtroom, Movant in the above-captioned matter will move this court for an Order granting the relief sought as set forth in the Motion and accompanying supporting documents served and filed herewith. Said Motion is based upon the grounds set forth in the attached Motion and accompanying documents.
3. **Your rights may be affected.** You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)



4. **Deadline for Opposition Papers:** This Motion is being heard on regular notice pursuant to LBR 9013-1. If you wish to oppose this Motion, you must file a written response with the court and serve a copy of it upon the Movant or Movant's attorney at the address set forth above no less than fourteen (14) days prior to the above hearing date. If you fail to file a written response to this Motion within such time period, the court may treat such failure as a waiver of your right to oppose the Motion and may grant the requested relief.
5. **Hearing Date Obtained Pursuant to Judge's Self-Calendaring Procedure:** The undersigned hereby verifies that the above hearing date and time were available for this type of Motion according to the judge's self-calendaring procedures.

Date: 04/25/2017

SHULMAN HODGES & BASTIAN LLP  
Printed name of law firm

/s/ Rika M. Kido  
Signature

Rika M. Kido  
Printed name of attorney

**Statement of Information in Compliance with LBR 6004-1(c)(3)**

<b><u>LBR 6004-1(c)(3) Requirement</u></b>	<b><u>Information</u></b>
<p><i>LBR 6004-1(c)(3)(A)</i> Date, Time, and Place of hearing on the proposed sale:</p>	<p>Hearing Date and Time: May 17, 2017 at 11:00 a.m. Hearing Place: U.S. Bankruptcy Court, Courtroom 303 3420 Twelfth Street, Riverside, CA 92501</p>
<p><i>LBR 6004-1(c)(3)(B)</i> Name and address of the proposed buyer:</p>	<p>Buyer is subject to Secured Creditor approval. Trustee has received an offer from Karina Jimenez and Anthony Silva, 24915 Northern Dancer, Dr., Moreno Valley, CA 92551. (Subject to the Secured Creditor's approval.)</p>
<p><i>LBR 6004-1(c)(3)(C)</i> Description of the property to be sold:</p>	<p>Real property located at: 35965 Carlton Road, Wildomar, CA 92595</p>
<p><i>LBR 6004-1(c)(3)(D)</i> Terms and conditions of the proposed sale, including the price and all contingencies:</p>	<p>Buyer has offered \$350,000.00. The Trustee's Broker anticipates a sale price approved by Secured Creditor that provides for the following: <b>Payment of all expenses associated with the short sale, including (i) payment of a maximum 6% real estate brokerage commission to the Broker and reimbursement of the Broker's out-of-pocket expenses, and (ii) a fee for the Estate of \$21,750.00, to be paid by the buyer at the close of escrow to provide for meaningful distribution on allowed unsecured claims.</b> The Property will not be sold unless the Estate receives approximately \$21,750.00. Upon close of escrow, the lien of Secured Creditor will be released and all of its claims against the Property and the Estate with respect to the Property (including any deficiency claims resulting from the Trustee's sale of the Property), will be waived.</p>
<p><i>LBR 6004-1(c)(3)(E)</i> Whether the proposed sale is free and clear of liens, claims or interests, or subject to them, and a description of all such liens, claims or interests:</p>	<p>Liens impacting the Property are identified in the Title Report attached as <b>Exhibit 1</b> annexed to the Motion, and includes the current beneficiary under the first deed of trust against the Property, Bank of American, N.A., ("Secured Creditor). Pursuant to Bankruptcy Code sections 363(f)(1) and 363(f)(5) any and all liens that are junior to that of the Secured Creditor, including Marriott International, Inc., and Estrella Hills Homeowners Association (collectively the "Junior Liens") will be released, discharged and terminated at the close of escrow to the extent they are not satisfied or released prior to closing, and the Property will be sold free and clear of the Junior Liens, and Junior Liens will not attach to the sale proceeds.</p>
<p><i>LBR 6004-1(c)(3)(F)</i> Whether the proposed sale is subject to higher and better bids:</p>	<p>Yes to the extent the lender requires the highest and best offer and one that is consistent with the Secured Creditor's own appraisal.</p>
<p><i>LBR 6004-1(c)(3)(G)</i> Consideration to be received by the Estate, including estimated commissions, fees and other costs of sale:</p>	<p>The Estate is expected to receive approximately \$21,750.00. The estimated costs of sale is 8% of the sale price (includes broker commission). Sale price and costs of sale are subject to Secured Creditor approval.</p>
<p><i>LBR 6004-1(c)(3)(H)</i> If authorization is sought to pay commission, the identity of the auctioneer, broker, or sales agent and the amount or percentage of the proposed commission to be paid:</p>	<p>Trustee has employed the Hyatt Relocation Corporation ("Broker") to assist in the listing, marketing and negotiating a short sale. The Broker's commission shall not to exceed six percent of the purchase price. The broker representing the purchaser of the Property under the current offer is Windermere Homes &amp; Estates ("Selling Broker"), the commission will be split between the Trustee's Broker and the Selling Broker in amounts as agreed to by the two brokers and approved by the Secured Creditor. Any payment to the Trustee's Broker or the Selling Broker, or any costs of the sale, are subject to the Secured Creditor's approval and if the Secured Creditor does not approve, then the sale cannot close.</p>

<b><u>LBR 6004-1(c)(3) Requirement</u></b>	<b><u>Information</u></b>
<i>LBR 6004-1(c)(3)(I)</i> A description of the estimated or possible tax consequences to the Estate, if known, and how any tax liability generated by the sale of the property will be paid:	Trustee believes there will be no tax liability from the sale because he is informed that the Property is being sold for less than the Debtors' purchase price for the Property and there will be no gain from the sale.
<i>LBR 6004-1(c)(3)(J)</i> Date which objection must be filed and served:	Objections, if any, must be filed and served 14 days prior to the Hearing Date (or by May 3, 2017).

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Attorneys for Charles W. Daff,  
Chapter 7 Trustee

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION**

In re

**CHARLES DAVID ARTHUR and  
CLAIRE BIGORNIA BLANZA  
ARTHUR,**

Debtors.

Case No. 6:16-bk-19150-MH

Chapter 7

**CHAPTER 7 TRUSTEE'S MOTION FOR  
ORDER:**

- (1) AUTHORIZING THE SHORT SALE OF  
REAL PROPERTY OF THE ESTATE , FREE  
AND CLEAR OF LIENS PURSUANT TO  
BANKRUPTCY CODE §§ 363(b) AND (f);**
- (2) APPROVING PAYMENT OF REAL ESTATE  
COMMISSION; AND**
- (3) GRANTING RELATED RELIEF**

**MEMORANDUM OF POINTS AND  
AUTHORITIES AND DECLARATION OF  
CHARLES W. DAFF AND DEBORAH L.  
PRIEBE IN SUPPORT**

**Real Property located at:  
35965 Carlton Road, Wildomar, CA 92595**

**Hearing Date:**

Date: May 17, 2017

Time: 11:00 a.m.

Place: Courtroom 303  
3420 Twelfth Street  
Riverside, California

1 **TO THE HONORABLE MARK D. HOULE, UNITED STATE BANKRUPTCY JUDGE,**  
2 **THE OFFICE OF THE UNITED STATES TRUSTEE, THE DEBTORS AND ALL**  
3 **CREDITORS AND OTHER INTERESTED PARTIES AND THEIR COUNSEL OF**  
4 **RECORD:**

5 Charles W. Daff, the Chapter 7 trustee (“Trustee”) for the bankruptcy estate (“Estate”) of  
6 Charles David Arthur and Claire Bigornia Blanza Arthur (“Debtors”), brings this *Chapter 7*  
7 *Trustee’s Motion for Order: (1) Authorizing the Short Sale of Real Property of the Estate Free*  
8 *and Clear of Liens Pursuant to Bankruptcy Code §§ 363(b) and (f); (2) Approving Payment of*  
9 *Real Estate Commission; and (3) Granting Related Relief* (“Sale Motion”) and respectfully  
10 represents as follows:

11 **I. BACKGROUND**

12 The Debtors filed a voluntary petition under Chapter 7 of the Bankruptcy Code on  
13 October 16, 2016 (“Petition Date”).

14 The Debtors’ Bankruptcy Schedules indicates there are total general unsecured claims of  
15 \$91,243. The bar date for filing claims is April 10, 2017. Government claims are due by April  
16 14, 2017. As of April 6, 2017, the Court’s Claims Register indicates there have been three  
17 general unsecured claims filed totaling \$56,129.27. The Trustee anticipates that general  
18 unsecured claims may increase as a result of junior liens against the real property not being paid  
19 through the proposed short sale of real property that is the subject of this Sale Motion.

20 On their Schedule A/B, item 1, the Debtors list ownership interest in the real property  
21 located at 35965 Carlton Road, Wildomar, California 92595 (“Property”) valued at \$375,000. On  
22 their Schedule C, the Debtors claimed no exemption in the Property. On their Schedule D, the  
23 Debtors list three liens against the Property totaling \$524,590.31 as follows: (i) Shellpoint  
24 Mortgage (“Secured Creditor”)<sup>1</sup>, a lender lien of \$499,320.00, (ii) Marriott International, Inc., a  
25 judgment lien of \$24,670.31, and (iii) Management Trust, Inc.,<sup>2</sup> a lien for homeowners’  
26 association fees of \$600.00).

27 <sup>1</sup> The Title Report indicates that the current beneficiary of the lender lien is Bank of America, N.A.

28 <sup>2</sup> The Title Report indicates that the liens for homeowners’ association dues are in favor of  
Estrella Hills Homeowners Association.

1  
2 A Preliminary Title Report on the Property dated March 22, 2017 ("Title Report") is  
3 attached to the Declaration of Charles W. Daff ("Daff Declaration") as **Exhibit 1**. The  
4 outstanding liens against the Property are as shown on the Title Report.

5 Based on the Debtors' Schedules and the Title Report, the Property is over-encumbered.  
6 In addition, the Trustee is advised that (i) the Debtors are behind on the mortgage as evidenced  
7 by the Title Report which indicates a Notice of Default was recorded on November 24, 2014 and  
8 Notice of Trustee's Sale was recorded on December 23, 2015, (ii) one of the reasons the Debtors  
9 filed their bankruptcy was to stop the foreclosure sale, and (iii) the Debtors do not want a  
10 foreclosure on their record and would like the Trustee to short sell the Property. Attached as  
11 **Exhibit 4** to the Daff Declaration is copy of correspondence signed by the Debtors consenting to  
12 the short sale and agreeing they shall not be entitled to any claim of exemption in the funds paid  
13 to the Estate through the short sale.

14 **II. RELIEF REQUESTED**

15 Through this Sale Motion, the Trustee seeks authorization to sell the Property, subject to  
16 written approval of the Secured Creditor. The Trustee's Broker<sup>3</sup> anticipates negotiating a sale  
17 price approved by the Secured Creditor that provides for the following:

- 18 **• Payment of all expenses associated with the short sale, including (i) payment**  
19 **of a maximum 6% real estate brokerage commission to the Broker and**  
20 **reimbursement of the Broker's out-of-pocket expenses, and (ii) a fee for the**  
21 **Estate of approximately \$21,750.00, to be paid by the buyer at the close of**  
22 **escrow to provide for meaningful distribution on allowed unsecured claims.**

23 Thus, the Property will not be sold unless the Estate receives approximately  
24 \$21,750.00. The Trustee will use the funds for payment of administrative claims  
25 and allowed unsecured claims. As is this Trustee's practice, if necessary, he and

26 <sup>3</sup>  
27 On January 20, 2017, the Trustee filed an application (docket 25) for authority to employ  
28 Hyatt Relocation Corporation ("Broker") as his real estate broker to the assist the Trustee in the listing,  
marketing and negotiating a short sale of the Estate's interest in the Property. No objection to the Broker's  
employment was filed and an Court order approving the Broker's employment was entered on February 8,  
2017 (docket 33).

his professionals will reduce their fees as necessary to ensure a meaningful distribution.

- Upon close of escrow, the liens of the Secured Creditor will be released and all of their claims against the Property and the Estate with respect to the Property (including any deficiency claims resulting from the Trustee's sale of the Property), will be waived.
- Pursuant to Bankruptcy Code sections 363(f)(1) and 363(f)(5) any and all liens that are junior to that of the Secured Creditor including Marriott International, Inc. and Estrella Hills Homeowners Association (collectively the "Junior Liens"), will be released, discharged and terminated at the close of escrow to the extent they are not satisfied or released prior to closing, and the Property will be sold free and clear of the Junior Liens and the Junior Liens will not attach to the sale proceeds.

The Trustee believes that it is in the best interest of the Estate and its creditors to short sell the Property as proposed herein. The alternative is to file a no asset report and creditors will not receive anything.

Nothing in the Sale Motion is intended to impair any lienholder's' right to seek relief from the automatic stay or to foreclose on the Property.

Pursuant to Local Bankruptcy Rule 6004-1(g), once the short sale closes, the Trustee will file with the Court a *Report of Sale* which details the sale terms approved by the Secured Creditor.

### III. ARGUMENT

#### A. There is a Good Business Reason for the Sale and the Sale is in the Best Interest of the Estate.<sup>4</sup>

The duties of a trustee in a Chapter 7 filing are enumerated in 11 U.S.C. §704, which provides in relevant part as follows:

(a) The trustee shall—

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<sup>4</sup> Although Local Bankruptcy Rule 6004-1(c)(2)(C) does not require that a memorandum of points and authorities be filed in support of the Motion, the Trustee is nevertheless submitting one.

(1) collect and reduce to money the property of the estate for which such trustee serves, and close such estate as expeditiously as is compatible with the best interests of parties in interest;

(2) be accountable for all property received;

11 U.S.C. §704(a).

Further, the Trustee, after notice and hearing, may sell property of the estate. 11 U.S.C. § 363(b). Courts ordinarily will approve a proposed sale if there is a good business reason for the sale and the sale is in the best interests of the estate. *In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*, 722 F.2d 1063, 1069 (2d Cir. 1983). In this case, the sale is anticipated to net the Estate approximately \$21,750.00 from fee that the buyer will pay as part of the short sale.

**B. The Proposed Sale Should be Allowed Free and Clear of Liens**

Bankruptcy Code Section 363(f) allows a trustee to sell property of the bankruptcy estate “free and clear of any interest in such property of an entity,” if any one of the following five conditions is met:

(1) applicable non-bankruptcy law permits a sale of such property free and clear of such interest;

(2) such entity consents;

[...]

(5) such entity could be compelled, in a legal or equitable proceeding, to accept money satisfaction of such interest.

11 U.S.C. § 363(f).

Section 363(f) is written in the disjunctive and thus only one of the enumerated conditions needs to be satisfied for Court approval to be appropriate. The Trustee anticipates that Secured Creditor will approve the sale to as proposed herein and upon Secured Creditor’s approval of the short sale, the Trustee will have satisfied § 363(f)(2).

With respect to the Junior Liens if any, (to the extent they are not satisfied or released prior to closing), the Trustee proposes to sell under § 363(f)(1) and/or 363(f)(5) as in California, judicial and non-judicial foreclosures can be used to wipe out the Junior Liens. *See* Bankruptcy Code section 363(f)(1) (stating that a trustee may sell property of the estate free and clear of liens



1 or other interest when applicable nonbankruptcy law permits such a sale free and clear of liens  
2 and interests). The BAP in *Clear Chanel* stated that an example of a section 363(f)(1) sale is the  
3 Uniform Commercial Code section 9-320, which permits a sale free and clear of a consensual  
4 security interest if the collateral is sold in the ordinary course of business of the debtor. *See*  
5 *Clear Channel Outdoor, Inc. v. Knupfer (In re PW, LLC)*, 391 B.R. 25, 41 (9th Cir B.A.P.  
6 2008), fn. 21; Cal. Civ. Code §2924 *et seq.* Similarly, Bankruptcy courts have expressed that the  
7 availability of foreclosure sales outside of bankruptcy represent a “legal or equitable  
8 proceeding”, thus allowing a bankruptcy trustee to sell the subject property free and clear of liens  
9 under § 363(f)(5). *See e.g., In re Jolan, Inc.*, 403 B.R. 866, 869-870 (Bankr. W.D. Wash., 2009);  
10 *In re Boston Generating, LLC*, 440 B.R. 302, 333 (Bankr. S.D.N.Y. 2010); *In re Aerisa, Inc.*,  
11 2:09-bk-18456-RJH (Bankr. D. Ariz).

12 In this case, if the Secured Creditor, the senior lienholder on the Property, elected to  
13 foreclose on its interest outside of bankruptcy, every junior interest in the Property, including the  
14 Junior Liens, would be extinguished notwithstanding the fact that the foreclosure sale price may  
15 or may not pay such extinguished interests in full, or at all. In such a foreclosure proceeding, the  
16 Junior Liens would be forced to accept the distribution allowed by the resulting foreclosure sale  
17 price, in full satisfaction of its released lien.<sup>5</sup> This hypothetical foreclosure sale situation clearly  
18 meets each element of section 363(f)(5) to authorize the sale of the Property free and clear of all  
19 interests, as it actively demonstrates that a junior interest such as the holders of the Junior Liens  
20 herein “could be compelled, in a legal or equitable proceeding [i.e. the foreclosure sale], to  
21 accept money satisfaction [i.e. the distribution allowed pursuant to the foreclosure sale price] of  
22 such interest.” 11 U.S.C. § 363(f)(5).

23 Accordingly, the Court has the authority to approve the sale of the Property free and clear  
24 of the Junior Liens under Bankruptcy Code sections 363(f)(1) and/or 363(f)(5).

25  
26  
27 <sup>5</sup> In the hypothetical foreclosure setting for a money satisfaction of the Secured Creditor’s interest,  
28 the holders of the Junior Liens may still have general unsecured claims against the Estate for the amounts  
that are not paid.

1 IV. CONCLUSION

2 WHEREFORE based upon the foregoing, the Trustee respectfully submits that good  
3 cause exists for granting the Sale Motion and requests that the Court enter an order which  
4 provides as follows:

5 1. Authorizing (i) the Trustee to short sell the Property on an as-is, where-is basis,  
6 without any warranties or representations, to a buyer approved by the Secured Creditor  
7 ("Approved Buyer"), in an amount approved by Secured Creditor, under the terms and  
8 conditions set forth above and as approved by the Secured Creditor, including (i) authorizing the  
9 Trustee to comply with any written short sale approval letter from the Secured Creditor, (ii)  
10 Secured Creditor to pay all customary and normal closing costs at close of escrow, including a  
11 real estate commission of no more than 6% to be split between the Trustee's Broker and the  
12 buyer's broker in the amounts as agreed to by the brokers and the Secured Creditor, (iii) upon  
13 close of escrow, the liens of the senior Secured Creditor shown on the Title Report are released  
14 or paid and all of their claims against the Property and the Estate with respect to the Property  
15 (including any deficiency claims resulting from the Trustee's sale of the Property), will be  
16 waived prior to closing or at the time of closing; (iv) approving the sale of the Property free and  
17 clear of any and all Junior Liens, if any, (to the extent they are not satisfied or released prior to  
18 closing) pursuant to Bankruptcy Code §§ 363(f)(1) and 363(f)(5), and (v) approve the payment  
19 of \$21,750.00 to the Estate through the short sale transaction.

20 2. Authorize the Trustee to execute any and all documents to effectuate the short  
21 sale as proposed in the Sale Motion and approved by the Secured Creditor.

22 ////

23 ////

24 ////

1           3.       Trustee's compliance with Local Bankruptcy Rule 6004-1(g) to file a Report of  
2 Sale detailing the terms of sale with the Court once the sale closes.

3           4.       And for such other and further relief as the Court deems just and proper under the  
4 circumstances of this case

5       Dated: April 7, 2017

**SHULMAN HODGES & BASTIAN LLP**

/s/ Rika M. Kido

\_\_\_\_\_  
Lynda T. Bui

Rika M. Kido

Attorneys for Charles W. Daff, Chapter 7 trustee for the  
bankruptcy estate of *In re Charles David Arthur and*  
*Claire Bigornia Blanza Arthur*,  
Case No. 6:16-bk-19150-MH

# **DECLARATION**

**DECLARATION OF CHARLES W. DAFF**

I, Charles W. Daff, declare:

1. I am the duly appointed, qualified and acting Chapter 7 trustee for the bankruptcy estate ("Estate") of *In re Charles David Arthur and Claire Bigornia Blanza Arthur* ("Debtors"), Case No. 6:16-bk-19150-MH. I have personal knowledge of the facts set forth herein, and if called and sworn as a witness, I could and would competently testify thereto.

2. I make this Declaration in support of my *Chapter 7 Trustee's Motion for Order: (1) Authorizing the Short Sale of Real Property of the Estate Free and Clear of Liens Pursuant to Bankruptcy Code §§ 363(b) and (f); (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief* ("Sale Motion"). All capitalized terms not otherwise defined herein shall have the meaning set forth in the Sale Motion.

3. The Secured Creditor has not yet given their approval for a short sale. I have filed this Sale Motion to obtain an order approving the short sale of the Property on an as is where is basis, to a buyer approved the Secured Creditor in an amount approved by the Secured Creditor and that results in the Estate receiving approximately \$21,750.00.

4. Attached here as **Exhibit 1** is a true and correct copy of the Preliminary Title Report for the Property dated March 22, 2017.

5. Attached here as **Exhibit 2** are true and correct copies of the Debtors' Schedules A/B, C and D.

6. Attached here as **Exhibit 3** is a true and correct copy of the California Residential Purchase Agreement and Joint Escrow Instructions, including the Short Sale Addendum in support of the sale of the Property. The buyer is identified as **Karina Jimenez and Anthony Silva**. These documents are being submitted to the Secured Creditor for review and approval.

7. Attached here as **Exhibit 4** is a true and correct copy of correspondence signed by the Debtors consenting to the short sale and agreeing they shall not be entitled to any claim of exemption in the funds paid to the Estate through the short sale.

1           8.       I am seeking to sell the Estate's interest in the Property as discussed in the Sale  
2 Motion. I believe the short sale is in the best interest of the Estate as I will create "equity"  
3 through the short sale where there was none.

4           9.       The following information is being provided pursuant to Local Bankruptcy Rule  
5 6004-1(c)(2)(b). I obtained the assistance of the broker team of Deborah L. Priebe of Hyatt  
6 Relocation Corporation (collectively, "Broker") to attempt to short sell the Property. Based on  
7 her review of the Property, the Broker advised that the value of the Property was approximately  
8 \$380,000.00. However, the best and current offer received for the Property is \$350,000.00.  
9 Because the Property is over-encumbered, I can only sell it if the Secured Creditor who is the  
10 mortgage lender on the Property approves the short sale. Every mortgage lender has its own  
11 procedure for approving short sales and I have asked Ms. Priebe to submit a declaration detailing  
12 the general procedure and process of such sale for the Court. Because the short sale process  
13 takes time and because I only have thirty days to closing from time of Secured Creditor's  
14 approval of the short sale, I am filing this Sale Motion and requesting that the sale be approved  
15 *subject to approval by the Secured Creditor.*

16           10.      Unlike traditional sales, this short sale is not subject to traditional overbidding;  
17 instead, it is subject to any requirements of the Secured Creditor seeking the highest and best  
18 offer and one that is consistent with its own appraisal of the Property. I have not been contacted  
19 by any overbidders for the purchase of the Property. The Secured Creditor, who has complete  
20 and sole authority, will determine what sale price it will approve based on its own procedures,  
21 which routinely include its own appraisal, so I do not believe a traditional overbid process is  
22 necessary or appropriate as the highest price I obtain will still need to be subject to the Secured  
23 Creditor's approval.

24           11.      The sale is in the best interest of the Estate because the Estate is anticipated to  
25 receive approximately \$21,750.00, which the current buyer has agreed to pay. Because I have  
26 created "equity" where there was none, creditors can expect to receive a significant distribution  
27 (as opposed to nothing). I represent to the Court that I will work with my professionals (and if  
28

1 necessary, ask them to reduce administrative expenses) to ensure that creditors receive a  
2 meaningful distribution.

3 12. As is required by Federal Rule of Bankruptcy Procedure 6004(f) and Local  
4 Bankruptcy Rule 6004-1(g), I will file a Report of Sale detailing the terms of the sale shortly  
5 after the sale closes.

6 13. For the reasons set forth in the Sale Motion and this Declaration, I respectfully  
7 request that the Court grant the Sale Motion so that I do not lose this favorable business  
8 opportunity to generate a substantial amount of funds for the Estate from an asset that otherwise  
9 has no equity.

10 I declare under penalty of perjury under the laws of the United States of America that the  
11 foregoing is true and correct.

12 Executed on April 7, 2017, at Santa Ana, California.

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15 Charles W. Daff, solely in the capacity as the Chapter 7 Trustee  
16 for the bankruptcy estate of  
17 *In re Charles David Arthur and Claire Bigornia Blanza Arthur*,  
18 Case No. 6:16-bk-19150-MH  
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# **DECLARATION**



**DECLARATION OF DEBORAH L. PRIEBE**

I, Deborah L. Priebe, declare and state as follows:

1. The matters stated herein are true and correct and within my personal knowledge. If called as a witness, I could and would competently testify to the matters stated in this Declaration. I am a real estate broker, duly licensed in the State of California and the principal of Hyatt Relocation Corporation, located at 12707 High Bluff Drive, Suite 200, San Diego, CA 92130.

2. I make this declaration in support of the *Chapter 7 Trustee's Motion for Order: (1) Authorizing the Short Sale of Real Property of the Estate Free and Clear of Liens Pursuant to Bankruptcy Code §§ 363(b) and (f); (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief* ("Sale Motion") filed by Charles W. Daff ("Trustee"), the Chapter 7 trustee for the bankruptcy estate ("Estate") of *In re Charles David Arthur and Claire Bigornia Blanza Arthur* ("Debtors"), Case No. 6:16-bk-19150-MH. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Sale Motion.

3. I have read the Sale Motion and am familiar with the real property located at 35965 Carlton Road, Wildomar, CA 92595 ("Property").

4. I would like to explain to the Court my understanding of the basic procedures that we go through to obtain the lender's short sale approval for any real property. As a caveat, all lenders have their own procedures in addition to the basic requirements. With respect to the basic requirement true for all short sales, we start with obtaining the listing from the bankruptcy trustee. After a physical inspection of the property, we take pictures and put the property on the market. To the extent that there are any showings requested, we accommodate that as well. We coordinate with the debtor or the occupant of the property. When we receive any offer, we send out a request for highest and best offer along with all the bankruptcy terms before submitting the highest and best to the bankruptcy trustee for review and execution. Once we have an accepted offer, we present that offer with a package of all required documents (which are lender specific). The package is often voluminous and lenders can change requirements midstream and we would need to submit completed documents on their forms. Routinely, if there is anything missing or

1 not properly completed, the lender will not review the file or consider the short sale. Assuming  
2 all documents are completed and are properly submitted, the lender usually obtains an  
3 independent appraisal of the property. Depending on the lender, at this stage, the file is assigned  
4 a negotiator.

5         5. The package for a short sale for any lender always includes a proposed  
6 preliminary HUD-1 which details what funds will come in for the sale and the costs to be paid as  
7 well as the payoff to the lender and the payment to the Estate. The HUD-1 is the basis for which  
8 every real estate sale transaction in the United States is founded on. There is not a transaction in  
9 any 50 states that is completed without a HUD-1. The buyer, seller and lender review and  
10 approve the HUD-1 before funds are dispersed through escrow in the state of California. The  
11 HUD-1 is signed by all parties in agreement to the payoff of each line item in the sale. The  
12 lienholder acknowledges that their final approval of closing a property would be the approval of  
13 said HUD-1. If for any reason the lender does not approve a line item, it would not sign the  
14 HUD-1, and escrow could not disburse funds or close the sale.

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2 6. Once the package is complete, the negotiator then reviews the entire package,  
3 including the type and qualification of the proposed buyer and the proposed HUD-1 and all the  
4 itemized proposed payments. If the negotiator does not approve a certain cost or payment, he or  
5 she will require that the items be deleted or otherwise modified. Using the proposed HUD-1, the  
6 negotiator will cause the written short sale approval letter to be generated and sent to the  
7 bankruptcy trustee and/or the borrower(s). The short approval letter usually only provides for 30  
8 days to close escrow. An extension is often difficult to obtain. In addition, not closing escrow  
9 within the 30 days can substantially delay closing because some lenders re-start the process,  
10 others require new appraisals, and yet others will proceed with foreclosure. It is not uncommon  
11 to see the lender negotiate the short sale at the same time it proceeds with the foreclosure process  
12 such that upon expiration of the approval, the subject property forecloses. For the above reasons  
13 and based on my years of experience, it is most beneficial to obtain the Court order approving  
14 the short sale such that escrow can close shortly after the lender approves the short sale.

15 I declare under penalty of perjury under the laws of the United States of America that the  
16 foregoing is true and correct.

17 Executed on April 7, 2017, at San Diego, California.

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Deborah L. Priebe

# **Exhibit 1**

## **Title Report**



4210 Riverwalk Parkway, Suite 200  
Riverside, CA 92505  
Phone: (951) 509-0211

Issuing Policies of **Chicago Title Insurance Company**

ORDER NO.: **00445224-993-SS1**

Escrow/Customer Phone: **(909) 980-4114**

TOWN SQUARE ESCROW  
8885 HAVEN AVENUE #190  
RANCHO CUCAMONGA, CA 91730  
ATTN: NIKKI SEESE  
Email: [NIKKI@TOWNSQUAREESCROW.COM](mailto:NIKKI@TOWNSQUAREESCROW.COM)  
Reference No.: 17-6830-NS  
Reference No.: 17-6830-NS

Title Officer: **Sandy Staley**  
Title Officer Phone: **(951) 509-0211**  
Title Officer Fax: **(951) 509-5824**  
Title Officer Email: [sandy.staley@ticortitle.com](mailto:sandy.staley@ticortitle.com)

PROPERTY: **35965 Carlton Drive, Wildomar, CA 92595**

### AMENDED PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Ticor Title Company of California** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

*The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.*

*This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.*

*The policy(s) of title insurance to be issued hereunder will be policy(s) of **Chicago Title Insurance Company**, a Nebraska Corporation.*

***Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.***

***It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.***

Countersigned:

By:   
Authorized Signature



By:   
Randy Quirk, President  
Attest:   
Michael Gravelle, Secretary



4210 Riverwalk Parkway, Suite 200  
Riverside, CA 92505  
Phone: (951) 509-0211

## AMENDED PRELIMINARY REPORT

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**EFFECTIVE DATE:** **March 22, 2017 at 7:30 a.m., Amended: March 28, 2017, Amendment No. 2**

**ORDER NO.: 00445224-993-SS1**

The form of policy or policies of title insurance contemplated by this report is:

**ALTA Homeowners Policy of Title Insurance (12-2-13)**  
**ALTA Extended Loan Policy (6-17-06)**

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

**A Fee**

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

**Charles David Arthur, a single man and Claire Blanza, a single woman as joint tenants,**

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

**See Exhibit A attached hereto and made a part hereof.**

## EXHIBIT "A"

### LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF **RIVERSIDE**, STATE OF **CALIFORNIA**, AND IS DESCRIBED AS FOLLOWS:

Lot 24 of Tract No. 30734, in the City of Wildomar, County of Riverside, State of California, as shown by Map on file in Book 377, Pages 34 through 43, inclusive, of Maps, in the Office of the County Recorder of said County.

Excepting therefrom, for the benefit of grantor and its successors in interest, all oil, oil rights, natural gas rights, mineral rights, together with appurtenant rights thereto, without, however, any right to enter upon the surface of said land nor any portion of the subsurface lying above a depth of five hundred (500) feet.

APN: **362-680-020-5**



**EXCEPTIONS**

**AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:**

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2017 - 2018.
2. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.:	362-680-020-5
Fiscal Year:	2016-2017
1st Installment:	\$3,900.33 Paid
2nd installment:	\$3,900.33 Open (Delinquent after April 10)
Penalty and Cost:	\$428.66
Homeowners Exemption:	None Shown
Code Area:	025-028

3. The herein described Land is within the boundaries of the Mello-Roos Community Facilities District(s). The annual assessments, if any, are collected with the county property taxes. Failure to pay said taxes prior to the delinquency date may result in the above assessment being removed from the county tax roll and subjected to Accelerated Judicial Bond Foreclosure. Inquiry should be made with said District for possible stripped assessments and prior delinquencies.
4. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 or Part 2, Chapter 3, Articles 3 and 4 respectively (commencing with Section 75) of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A; or as a result of changes in ownership or new construction occurring prior to date of policy
5. Water rights, claims or title to water, whether or not disclosed by the public records.
6. An easement in favor of the public over any portion of the herein described property included within the Smith Ranch Road as shown on assessor's parcel map

Recording No.:	Book 362, Page 18, Official Records
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7. An easement for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In Favor of:	County of Riverside
Purpose:	Roads
Recording Date:	September 30, 1991
Recording No.:	1991-338527, of Official Records
Affects:	said land more particularly described therein

8. The ownership of said Land does not include rights of access to or from the street, highway, or freeway abutting said Land, such rights having been relinquished by the document,

Recording Date:	September 30, 1991
Recording No.:	1991-338528, of Official Records
Affects:	said land more particularly described therein



**EXCEPTIONS  
(Continued)**

## 9. Matters contained in that certain document

Entitled: Resolution No. 92-169  
Dated: April 17, 1992  
Executed by: County of Riverside  
Recording Date: April 17, 1992  
Recording No.: 1992-137846, of Official Records

Reference is hereby made to said document for full particulars

## 10. Matters contained in that certain document

Entitled: Construction License and Indemnity Agreement  
Dated: August 3, 2004  
Executed by: Hearthstone Multi-Asset Entity A, L.P., a California Limited Partnership and  
Beazer Homes Holdings Corp., a Delaware Corporation  
Recording Date: August 3, 2004  
Recording No.: 2004-601798, of Official Records

Reference is hereby made to said document for full particulars

## 11. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:

Granted To: The County of Riverside  
Purpose: Public road, drainage and utilities  
Recording Date: September 30, 2004  
Recording No: 2004-775145, of Official Records  
Affects: said land more particularly described therein

## 12. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:

Granted To: Southern California Edison Company, a Corporation  
Purpose: Public utilities  
Recording Date: December 14, 2004  
Recording No: 2004-988434, of Official Records  
Affects: said land more particularly described therein

## 13. All easements, offers and dedications as shown on the official map

Tract of: 30734

**EXCEPTIONS  
(Continued)**

## 14. Matters contained in that certain document

Entitled: School Facilities Impact Mitigation Agreement  
 Dated: March 17, 2005  
 Executed by: Lake Elsinore Unified School District, a California Public School District, Beazer Homes Holdings Corp., a Delaware Corporation and Hearthstone Multi-Asset Entity A, L.P., a California Limited Partnership  
 Recording Date: March 25, 2005  
 Recording No.: 2005-237109, of Official Records

Reference is hereby made to said document for full particulars

15. Declaration of covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, citizenship, immigration status, primary language, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the below document, which, among other things, may contain or provide for easements; assessments, liens and the subordination thereof; said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value:

Recording Date: May 31, 2005  
 Recording No.: 2005-430586, of Official Records

Said instrument also provides for the levy of assessments, the lien of which is stated to be subordinate to the lien of a first mortgage or first deed of trust made in good faith and for value.

The provisions of said covenants, conditions and restrictions were extended to include the herein described land by an instrument

Recording Date: February 22, 2006  
 Recording No.: 2006-127765, of Official Records

## 16. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:

Granted To: Southern California Edison Company  
 Purpose: Public utilities  
 Recording Date: June 1, 2005  
 Recording No.: 2005-435293, of Official Records  
 Affects: said land more particularly described therein

## 17. Easement(s) for the purpose(s) shown below and rights incidental thereto as reserved in a document:

Reserved by: Beazer Homes Holdings Corporation, a Delaware Corporation  
 Purpose: Access, use, enjoyment, repairs, and other purposes  
 Recording Date: July 2, 2008  
 Recording No.: 2008-361361, of Official Records  
 Affects: said land more particularly described therein

**EXCEPTIONS  
(Continued)**

18. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$368,231.00  
 Dated: June 27, 2008  
 Trustor/Grantor: Charles D. Arthur, a single man and Claire Blanza, a single woman as joint tenants  
 Trustee: ReconTrust Company  
 Beneficiary: Mortgage Electronic Registration Systems, Inc., solely as nominee for Countrywide Bank, FSB, its successors and assigns  
 Loan No.: Not Set Out  
 Recording Date: July 2, 2008  
 Recording No: 2008-0361362, of Official Records

A substitution of trustee under said deed of trust which names, as the substituted trustee, the following

Trustee: Law Offices of Les Zieve  
 Recording Date: November 24, 2014  
 Recording No.: 2014-0449537, of Official Records

A Notice of Default under the terms of said trust deed

Executed By: Law Offices of Les Zieve  
 Recording Date: November 24, 2014  
 Recording No.: 2014-0449538, of Official Records

A notice of Trustee's Sale under said deed of trust

Executed By: Law Offices of Les Zieve  
 Time and Place of Sale: In the area in front of 849 West Sixth Street, Corona, California 92881, January 21, 2016 at 9:30 AM  
 Recording Date: December 23, 2015  
 Recording No.: 2015-0553239, of Official Records

By various assignments, the beneficial interest thereunder is now held of record in:

Assignee: Bank of America, N.A.  
 Recording Date: May 23, 2016  
 Recording No.: 2016-0209167, of Official Records

19. An abstract of judgment for the amount shown below and any other amounts due:

Amount: \$24,670.31  
 Debtor: David Arthur, an individual; Claire Arthur, etc.  
 Creditor: Marriott International Inc., a Delaware Corp.  
 Date Entered: June 11, 2009  
 County: Riverside  
 Court: Superior Court of California  
 Case No. TEC093522  
 Recording Date: June 25, 2009  
 Recording No.: 2009-0322339, of Official Records

**EXCEPTIONS  
(Continued)**

20. An abstract of judgment for the amount shown below and any other amounts due:

Amount: \$3,698.70  
Debtor: Charles David Arthur aka Charles D. Arthur, Claire Blanza; and Does 1 through 50, inclusive, et al.  
Creditor: Estrella Hills Homeowners Association, a California Non-Profit Corporation  
Date Entered: September 21, 2011  
County: Riverside  
Court: Superior Court of California  
Case No. TEC 10012615  
Recording Date: December 12, 2011  
Recording No.: 2011-0547565, of Official Records

21. Notice of delinquent assessments and lien payable to the Owners' Association pursuant to the declaration herein.

Amount: \$1,190.46  
Owners Association: Estrella Hills Homeowners Association  
Recording Date: October 28, 2016  
Recording No: 2016-0476559, of Official Records

22. Intentionally Deleted

**PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.**

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**END OF EXCEPTIONS**

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## REQUIREMENTS SECTION

1. In order to complete this report, the Company requires a Statement of Information to be completed by the following party(s),

Party(s): All Parties

The Company reserves the right to add additional items or make further requirements after review of the requested Statement of Information.

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

2. Pursuant to the type of transaction contemplated in this Report, a Documentary Transfer Tax Affidavit must be filled out and executed to accompany the Transfer Deed, a form of which can be obtained by going to the following Website [www.riversideacr.com](http://www.riversideacr.com) or by contacting your Title Officer or Escrow Officer.
3. Satisfactory evidence must be furnished from the secretary or other duly qualified officer of the Association showing that all assessments and fees, including special assessments or payments due to others, such as master associations, are paid in full through the date of closing.

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**END OF REQUIREMENTS**

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## INFORMATIONAL NOTES SECTION

1. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
2. Note: Association Assessments are periodically due from holders of title to said Land to the Homeowner's Association and transfer fees may be due whenever there is a transfer of title of any of the units. In order to ascertain seller's/buyer's association assessments and transfer fee requirements prior to transfer of a unit, Escrow companies are requested to contact said Homeowner's Association.
3. Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land a Single Family Residence located in a Planned Unit Development known as 35965 Carlton Drive, City of Wildomar, CA, to an Extended Coverage Loan Policy.
4. Note: None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an ALTA Loan Policy, when issued.
5. NOTE: Tigor Title Company of California will pay Chicago Title Insurance Company 12% of the title premium, as disclosed on lines 1107 and 1108 of the HUD-1.
6. Note: The policy of title insurance will include an arbitration provision. The company of the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your title insurance coverage.

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END OF INFORMATIONAL NOTES

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Sandy Staley/bok

## INFORMATIONAL NOTES (Continued)

### FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

At Fidelity National Financial, Inc., we respect and believe it is important to protect the privacy of consumers and our customers. This Privacy Notice explains how we collect, use, and protect any information that we collect from you, when and to whom we disclose such information, and the choices you have about the use of that information. A summary of the Privacy Notice is below, and we encourage you to review the entirety of the Privacy Notice following this summary. You can opt-out of certain disclosures by following our opt-out procedure set forth at the end of this Privacy Notice.

<b>Types of Information Collected.</b> You may provide us with certain personal information about you, like your contact information, address demographic information, social security number (SSN), driver's license, passport, other government ID numbers and/or financial information. We may also receive browsing information from your Internet browser, computer and/or mobile device if you visit or use our websites or applications.	<b>How Information is Collected.</b> We may collect personal information from you via applications, forms, and correspondence we receive from you and others related to our transactions with you. When you visit our websites from your computer or mobile device, we automatically collect and store certain information available to us through your Internet browser or computer equipment to optimize your website experience.
<b>Use of Collected Information.</b> We request and use your personal information to provide products and services to you, to improve our products and services, and to communicate with you about these products and services. We may also share your contact information with our affiliates for marketing purposes.	<b>When Information Is Disclosed.</b> We may disclose your information to our affiliates and/or nonaffiliated parties providing services for you or us, to law enforcement agencies or governmental authorities, as required by law, and to parties whose interest in title must be determined.
<b>Choices With Your Information.</b> Your decision to submit information to us is entirely up to you. You can opt-out of certain disclosure or use of your information or choose to not provide any personal information to us.	<b>Information From Children.</b> We do not knowingly collect information from children who are under the age of 13, and our website is not intended to attract children.
<b>Privacy Outside the Website.</b> We are not responsible for the privacy practices of third parties, even if our website links to those parties' websites.	<b>International Users.</b> By providing us with you information, you consent to its transfer, processing and storage outside of your country of residence, as well as the fact that we will handle such information consistent with this Privacy Notice.
<b>The California Online Privacy Protection Act.</b> Some FNF companies provide services to mortgage loan servicers and, in some cases, their websites collect information on behalf of mortgage loan servicers. The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through those websites.	
<b>Your Consent To This Privacy Notice.</b> By submitting information to us or by using our website, you are accepting and agreeing to the terms of this Privacy Notice.	<b>Access and Correction; Contact Us.</b> If you desire to contact us regarding this notice or your information, please contact us at <a href="mailto:privacy@fnf.com">privacy@fnf.com</a> or as directed at the end of this Privacy Notice.

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing title insurance, real estate- and loan-related services (collectively, "FNF", "our" or "we") respect and are committed to protecting your privacy. We will take reasonable steps to ensure that your Personal Information and Browsing Information will only be used in compliance with this Privacy Notice and applicable laws. This Privacy Notice is only in effect for Personal Information and Browsing Information collected and/or owned by or on behalf of FNF, including Personal Information and Browsing Information collected through any FNF website, online service or application (collectively, the "Website").

### **Types of Information Collected**

We may collect two types of information from you: Personal Information and Browsing Information.

Personal Information. FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- social security number (SSN), driver's license, passport, and other government ID numbers;
- financial account information; and
- other personal information needed from you to provide title insurance, real estate- and loan-related services to you.

Browsing Information. FNF may collect the following categories of Browsing Information:

- Internet Protocol (or IP) address or device ID/UDID, protocol and sequence information;
- browser language and type;
- domain name system requests;
- browsing history, such as time spent at a domain, time and date of your visit and number of clicks;
- http headers, application client and server banners; and
- operating system and fingerprinting data.

### **How Information is Collected**

In the course of our business, we may collect *Personal Information* about you from the following sources:

- applications or other forms we receive from you or your authorized representative;
- the correspondence you and others send to us;
- information we receive through the Website;
- information about your transactions with, or services performed by, us, our affiliates or nonaffiliated third parties; and
- information from consumer or other reporting agencies and public records maintained by governmental entities that we obtain directly from those entities, our affiliates or others.

If you visit or use our Website, we may collect *Browsing Information* from you as follows:

- Browser Log Files. Our servers automatically log each visitor to the Website and collect and record certain browsing information about each visitor. The Browsing Information includes generic information and reveals nothing personal about the user.
- Cookies. When you visit our Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. When you visit a website again, the cookie allows the website to recognize your computer. Cookies may store user preferences and other information. You can choose whether or not to accept cookies by changing your Internet browser settings, which may impair or limit some functionality of the Website.

### **Use of Collected Information**

Information collected by FNF is used for three main purposes:

- To provide products and services to you or any affiliate or third party who is obtaining services on your behalf or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you and to inform you about our, our affiliates' and third parties' products and services, jointly or independently.

### **When Information Is Disclosed**

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) and Browsing Information to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Please see the section "Choices With Your Personal Information" to learn how to limit the discretionary disclosure of your Personal Information and Browsing Information.

Disclosures of your Personal Information may be made to the following categories of affiliates and nonaffiliated third parties:

- to third parties to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to our affiliate financial service providers for their use to market their products or services to you;
- to nonaffiliated third party service providers who provide or perform services on our behalf and use the disclosed information only in connection with such services;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to market financial products or services to you;
- to law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoena or court order;



- to lenders, lien holders, judgment creditors, or other parties claiming an interest in title whose claim or interest must be determined, settled, paid, or released prior to closing; and
- other third parties for whom you have given us written authorization to disclose your Personal Information.

We may disclose Personal Information and/or Browsing Information when required by law or in the good-faith belief that such disclosure is necessary to:

- comply with a legal process or applicable laws;
- enforce this Privacy Notice;
- investigate or respond to claims that any material, document, image, graphic, logo, design, audio, video or any other information provided by you violates the rights of a third party; or
- protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep your Personal Information secure. When we provide Personal Information to our affiliates or third party service providers as discussed in this Privacy Notice, we expect that these parties process such information in compliance with our Privacy Notice or in a manner that is in compliance with applicable privacy laws. The use of your information by a business partner may be subject to that party's own Privacy Notice. Unless permitted by law, we do not disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors. You expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings. We cannot and will not be responsible for any breach of security by a third party or for any actions of any third party that receives any of the information that is disclosed to us.

### **Choices With Your Information**

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you. The uses of your Personal Information and/or Browsing Information that, by law, you cannot limit, include:

- for our everyday business purposes – to process your transactions, maintain your account(s), to respond to law
- enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court
- orders, or report to credit bureaus;
- for our own marketing purposes;
- for joint marketing with financial companies; and
- for our affiliates' everyday business purposes – information about your transactions and experiences.

You may choose to prevent FNF from disclosing or using your Personal Information and/or Browsing Information under the following circumstances ("opt-out"):

- for our affiliates' everyday business purposes – information about your creditworthiness; and
- for our affiliates to market to you.

To the extent permitted above, you may opt-out of disclosure or use of your Personal Information and Browsing Information by notifying us by one of the methods at the end of this Privacy Notice. We do not share your personal information with non-affiliates for their direct marketing purposes.

**For California Residents:** We will not share your Personal Information and Browsing Information with nonaffiliated third parties, except as permitted by California law. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

**For Nevada Residents:** You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

**For Oregon Residents:** We will not share your Personal Information and Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

**For Vermont Residents:** We will not share your Personal Information and Browsing Information with nonaffiliated third parties, except as permitted by Vermont law, such as to process your transactions or to maintain your account. In addition, we will not share information about your creditworthiness with our affiliates except with your authorization. For joint marketing in Vermont, we will only disclose your name, contact information and information about your transactions.

### **Information From Children**

The Website is meant for adults and is not intended or designed to attract children under the age of thirteen (13). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian. By using the Website, you affirm that you are over the age of 13 and will abide by the terms of this Privacy Notice.

### **Privacy Outside the Website**

The Website may contain links to other websites. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites.

### **International Users**

FNF's headquarters is located within the United States. If you reside outside the United States or are a citizen of the European Union, please note that we may transfer your Personal Information and/or Browsing Information outside of your country of residence or the

European Union for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection and transfer of such information in accordance with this Privacy Notice.

**The California Online Privacy Protection Act**

For some FNF websites, such as the Customer CareNet ("CCN"), FNF is acting as a third party service provider to a mortgage loan servicer. In those instances, we may collect certain information on behalf of that mortgage loan servicer via the website. The information which we may collect on behalf of the mortgage loan servicer is as follows:

- first and last name;
- property address;
- user name and password;
- loan number;
- social security number - masked upon entry;
- email address;
- three security questions and answers; and
- IP address.

The information you submit through the website is then transferred to your mortgage loan servicer by way of CCN. **The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through this website. For example, if you believe that your payment or user information is incorrect, you must contact your mortgage loan servicer.**

CCN does not share consumer information with third parties, other than (1) those with which the mortgage loan servicer has contracted to interface with the CCN application, or (2) law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders. All sections of this Privacy Notice apply to your interaction with CCN, except for the sections titled "Choices with Your Information" and "Access and Correction." If you have questions regarding the choices you have with regard to your personal information or how to access or correct your personal information, you should contact your mortgage loan servicer.

**Your Consent To This Privacy Notice**

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information by us in compliance with this Privacy Notice. Amendments to the Privacy Notice will be posted on the Website. Each time you provide information to us, or we receive information about you, following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

**Accessing and Correcting Information; Contact Us**

If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing with our affiliates for their marketing purposes, please send your requests to [privacy@fnf.com](mailto:privacy@fnf.com) or by mail or phone to:

Fidelity National Financial, Inc.  
601 Riverside Avenue  
Jacksonville, Florida 32204  
Attn: Chief Privacy Officer  
(888) 934-3354

## Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the field rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for each discount. These discounts only apply to transaction involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

### **FNF Underwritten Title Company**

TTCC - Ticor Title Company of California

### **FNF Underwriter**

CTIC - Chicago Title Insurance Company

### **Available Discounts**

#### **CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC)**

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge within the following time period from the date of the report.

#### **DISASTER LOANS (CTIC)**

The charge for a lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

#### **CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC)**

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% to 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 40% to 50% of the appropriate title insurance rate, depending on the type of coverage selected.

#### **EMPLOYEE RATE (TTCC and CTIC)**

No charge shall be made to employees (including employees on approved retirement) of the Company or its underwritten, subsidiary title companies for policies or escrow services in connection with financing, refinancing, sale or purchase of the employees' bona fide home property. Waiver of such charges is authorized only in connection with those costs which the employee would be obligated to pay, by established custom, as a party to the transaction.

**ATTACHMENT ONE**  
**CALIFORNIA LAND TITLE ASSOCIATION**  
**STANDARD COVERAGE POLICY – 1990**  
**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)**  
**ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE**

**EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:

- a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.
- This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
  3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
  4. Risks:
    - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
    - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
    - c. that result in no loss to You; or
    - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
  5. Failure to pay value for Your Title.
  6. Lack of a right:
    - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
    - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
  7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
  8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
  9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

#### **LIMITATIONS ON COVERED RISKS**

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% % of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% % of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

#### **2006 ALTA LOAN POLICY (06-17-06)**

#### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### **EXCEPTIONS FROM COVERAGE**

(Except as provided in Schedule B - Part II, (t or T)his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

#### **(PART I**

(The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

#### **PART II**

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:)

#### **2006 ALTA OWNER'S POLICY (06-17-06)**

#### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### **EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

(The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. (Variable exceptions such as taxes, easements, CC&R's, etc. shown here.)

#### **ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (04-02-15)**

#### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;

- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
  5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
  6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
  7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
  8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
  9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
    - (a) a fraudulent conveyance or fraudulent transfer, or
    - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
  10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
  11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.



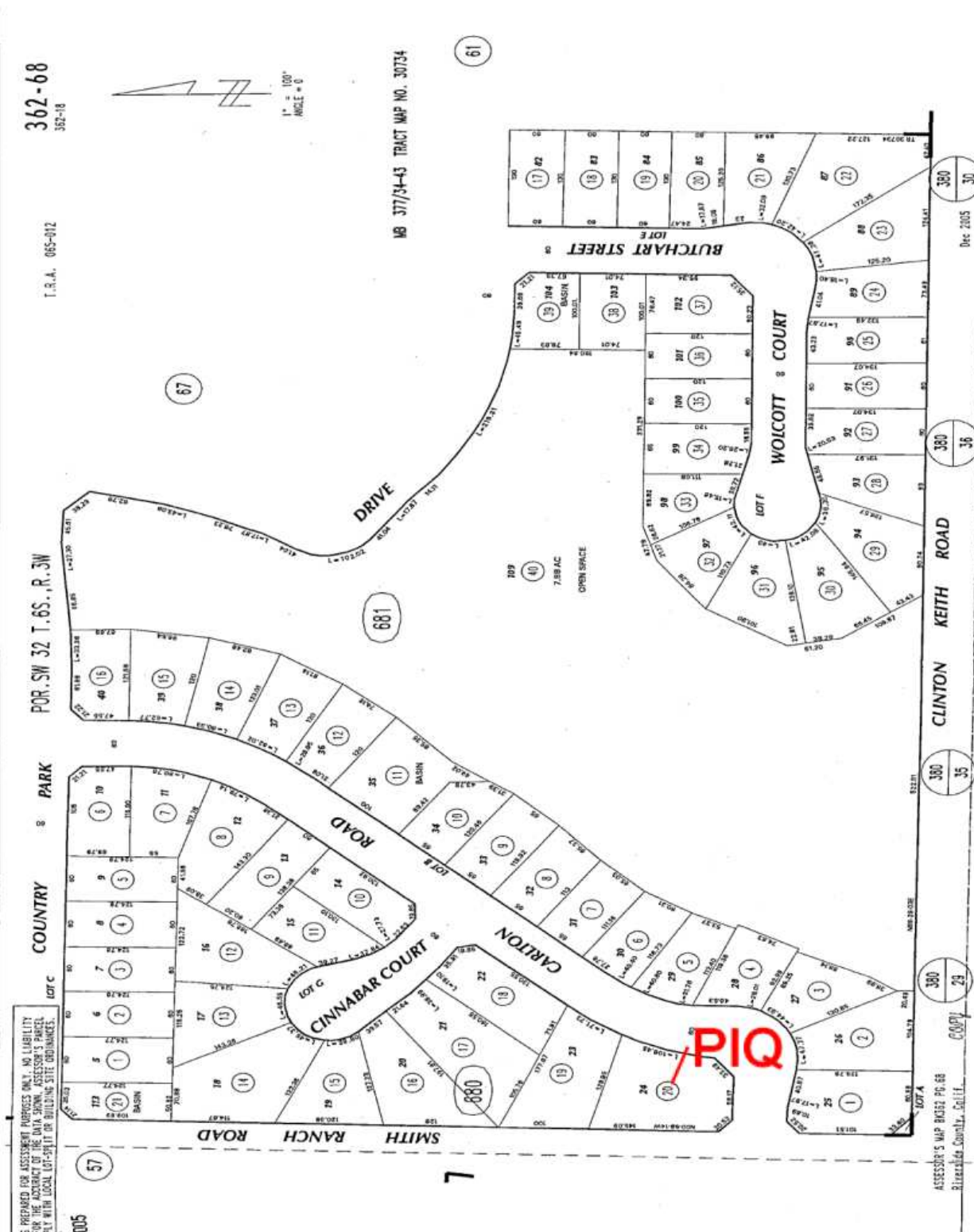


Exhibit 1

## STATEMENT OF INFORMATION

CONFIDENTIAL INFORMATION STATEMENT TO BE USED IN CONNECTION WITH ORDER NO: 00445224-993-SS1

COMPLETION OF THIS FORM WILL EXPEDITE YOUR ORDER AND WILL HELP PROTECT YOU.

**THE STREET ADDRESS of the property in this transaction is:**

IF NONE LEAVE BLANK

ADDRESS:

CITY:

IMPROVEMENTS: ☐ SINGLE RESIDENCE ☐ MULTIPLE RESIDENCE ☐ COMMERCIAL  
 OCCUPIED BY: ☐ OWNER ☐ LESSEE ☐ TENANTS  
 ANY PORTION OF NEW LOAN FUNDS TO BE USED FOR CONSTRUCTION: ☐ YES ☐ NO

**NAME****SPOUSES NAME**

FIRST MIDDLE LAST

FIRST MIDDLE LAST

BIRTHPLACE BIRTH DATE

BIRTHPLACE BIRTH DATE

I HAVE LIVED IN CALIFORNIA SINCE SOCIAL SECURITY NUMBER

I HAVE LIVED IN CALIFORNIA SINCE SOCIAL SECURITY NUMBER

DRIVER'S LICENSE NO. \_\_\_\_\_

DRIVER'S LICENSE NO. \_\_\_\_\_

WIFE'S MAIDEN NAME: \_\_\_\_\_

WE WERE MARRIED ON \_\_\_\_\_ AT \_\_\_\_\_

**RESIDENCE(S) FOR LAST 10 YEARS**

NUMBER AND STREET CITY FROM TO

NUMBER AND STREET CITY FROM TO

NUMBER AND STREET CITY FROM TO

NUMBER AND STREET CITY FROM TO

**OCCUPATION(S) FOR LAST 10 YEARS****HUSBAND**

PRESENT OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

**WIFE**

PRESENT OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

**FORMER MARRIAGES:** IF NO FORMER MARRIAGES, WRITE "NONE": \_\_\_\_\_

NAME OF FORMER SPOUSE \_\_\_\_\_

IF DECEASED: DATE \_\_\_\_\_ WHERE \_\_\_\_\_

**CURRENT LOAN ON PROPERTY**

PAYMENTS ARE BEING MADE TO: \_\_\_\_\_ 2. \_\_\_\_\_

1. \_\_\_\_\_ 3. \_\_\_\_\_

HOMEOWNERS ASSOCIATION \_\_\_\_\_ NUMBER: \_\_\_\_\_

DATE \_\_\_\_\_ SIGNATURE \_\_\_\_\_

HOME PHONE \_\_\_\_\_ BUSINESS PHONE \_\_\_\_\_

## **Exhibit 2**

### **Schedules A/B, C and D**

**Fill in this information to identify your case and this filing:**

Debtor 1	<b>Charles</b>	<b>David</b>	<b>Arthur</b>
	First Name	Middle Name	Last Name
Debtor 2 (Spouse, if filing)	<b>Claire</b>	<b>Bigornia Blanza</b>	<b>Arthur</b>
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the: <b>CENTRAL DIST. OF CALIFORNIA</b>			
Case number (if known)			

☐ Check if this is an amended filing

Official Form 106A/B

**Schedule A/B: Property**

12/15

In each category, separately list and describe items. List an asset only once. If an asset fits in more than one category, list the asset in the category where you think it fits best. Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

**Part 1: Describe Each Residence, Building, Land, or Other Real Estate You Own or Have an Interest In**

**1. Do you own or have any legal or equitable interest in any residence, building, land, or similar property?**

- ☐ No. Go to Part 2.  
☒ Yes. Where is the property?

1.1.

**35965 Carlton Road**

Street address, if available, or other description

**Wildomar** **CA** **92595**  
City State ZIP Code

**Riverside**  
County

**Residential Property.**  
**Value based on current listing price.**

**What is the property?**

Check all that apply.

- ☒ Single-family home  
☐ Duplex or multi-unit building  
☐ Condominium or cooperative  
☐ Manufactured or mobile home  
☐ Land  
☐ Investment property  
☐ Timeshare  
☐ Other

**Who has an interest in the property?**

Check one.

- ☐ Debtor 1 only  
☐ Debtor 2 only  
☒ Debtor 1 and Debtor 2 only  
☐ At least one of the debtors and another

Other information you wish to add about this item, such as local property identification number: **.35 ACRES M/L IN LOT**

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

**Current value of the entire property?**  
**\$375,000.00**

**Current value of the portion you own?**  
**\$375,000.00**

**Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.**

**Fee Simple**

☒ Check if this is community property (see instructions)

**2. Add the dollar value of the portion you own for all of your entries from Part 1, including any entries for pages you have attached for Part 1. Write that number here.....**

**\$375,000.00**

**Part 2: Describe Your Vehicles**

**Do you own, lease, or have legal or equitable interest in any vehicles, whether they are registered or not?** Include any vehicles you own that someone else drives. If you lease a vehicle, also report it on *Schedule G: Executory Contracts and Unexpired Leases*.

**3. Cars, vans, trucks, tractors, sport utility vehicles, motorcycles**

- ☐ No  
☒ Yes

**Exhibit 2**

Debtor 1 **Charles** **David** **Arthur** Case number (if known) \_\_\_\_\_  
First Name Middle Name Last Name

3.1. **Who has an interest in the property?** Do not deduct secured claims or exemptions. Put the  
Make: **BMW** Check one. amount of any secured claims on *Schedule D:*  
Model: **530xi** ☐ Debtor 1 only *Creditors Who Have Claims Secured by Property.*  
Year: **2006** ☐ Debtor 2 only  
Approximate mileage: **132,000** ☒ Debtor 1 and Debtor 2 only **Current value of the** **Current value of the**  
Other information: ☐ At least one of the debtors and another **entire property?** **portion you own?**  
**2006 BMW 530xi (approx. 132000** **Check if this is community property** **\$15,000.00** **\$15,000.00**  
**miles)** (see instructions)

4. **Watercraft, aircraft, motor homes, ATVs and other recreational vehicles, other vehicles, and accessories**  
*Examples: Boats, trailers, motors, personal watercraft, fishing vessels, snowmobiles, motorcycle accessories*

☒ No  
☐ Yes

5. **Add the dollar value of the portion you own for all of your entries from Part 2, including any**  
**entries for pages you have attached for Part 2. Write that number here.....** → **\$15,000.00**

### Part 3: Describe Your Personal and Household Items

Do you own or have any legal or equitable interest in any of the following items?

**Current value of the**  
**portion you own?**  
Do not deduct secured  
claims or exemptions.

6. **Household goods and furnishings**

*Examples: Major appliances, furniture, linens, china, kitchenware*

☐ No

☒ Yes. Describe..... **Garage Sale Value of individual items in the aggregate.** **\$2,500.00**

7. **Electronics**

*Examples: Televisions and radios; audio, video, stereo, and digital equipment; computers, printers, scanners;  
music collections; electronic devices including cell phones, cameras, media players, games*

☐ No

☒ Yes. Describe..... **Garage sale value** **\$1,000.00**

8. **Collectibles of value**

*Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects;  
stamp, coin, or baseball card collections; other collections, memorabilia, collectibles*

☒ No

☐ Yes. Describe.....

9. **Equipment for sports and hobbies**

*Examples: Sports, photographic, exercise, and other hobby equipment; bicycles, pool tables, golf clubs, skis;  
canoes and kayaks; carpentry tools; musical instruments*

☐ No

☒ Yes. Describe..... **Fitness room.** **\$500.00**

10. **Firearms**

*Examples: Pistols, rifles, shotguns, ammunition, and related equipment*

☒ No

☐ Yes. Describe.....

11. **Clothes**

*Examples: Everyday clothes, furs, leather coats, designer wear, shoes, accessories*

☐ No

☒ Yes. Describe..... **Clothing for the household.** **\$500.00**

## Exhibit 2

Debtor 1 **Charles** **David** **Arthur** Case number (if known) \_\_\_\_\_  
First Name Middle Name Last Name

**12. Jewelry**

*Examples:* Everyday jewelry, costume jewelry, engagement rings, wedding rings, heirloom jewelry, watches, gems, gold, silver

☐ No

☒ Yes. Describe..... **Wedding Rings** **\$10,000.00**  
**\$5000**

**13. Non-farm animals**

*Examples:* Dogs, cats, birds, horses

☐ No

☒ Yes. Describe..... **2 Large Dogs** **\$0.00**  
**Jake & Odie**  
**Great Pyrranes**  
**Goldador.**

**14. Any other personal and household items you did not already list, including any health aids you did not list**

☒ No

☐ Yes. Give specific information.....

**15. Add the dollar value of all of your entries from Part 3, including any entries for pages you have attached for Part 3. Write the number here.....**

**\$14,500.00**

**Part 4: Describe Your Financial Assets**

Do you own or have any legal or equitable interest in any of the following?

**Current value of the portion you own?**  
Do not deduct secured claims or exemptions.

**16. Cash**

*Examples:* Money you have in your wallet, in your home, in a safe deposit box, and on hand when you file your petition

☐ No

☒ Yes..... Cash: **\$500.00**

**17. Deposits of money**

*Examples:* Checking, savings, or other financial accounts; certificates of deposit; shares in credit unions, brokerage houses, and other similar institutions. If you have multiple accounts with the same institution, list each.

☐ No

☒ Yes..... Institution name:

17.1. Checking account: **Checking account** **\$2,000.00**  
**Chase Bank**

17.2. Checking account: **Checking account** **\$0.00**  
**Chase Account**

17.3. Checking account: **Checking account** **\$5.00**  
**Bank of America Checking via the EDD**

**18. Bonds, mutual funds, or publicly traded stocks**

*Examples:* Bond funds, investment accounts with brokerage firms, money market accounts

☒ No

☐ Yes..... Institution or issuer name:

**Exhibit 2**

Debtor 1	<b>Charles</b>	<b>David</b>	<b>Arthur</b>	Case number (if known) _____
	First Name	Middle Name	Last Name	

**19. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including an interest in an LLC, partnership, and joint venture**

☒ No  
☐ Yes. Give specific information about them..... Name of entity: \_\_\_\_\_ % of ownership: \_\_\_\_\_

**20. Government and corporate bonds and other negotiable and non-negotiable instruments**  
*Negotiable instruments* include personal checks, cashiers' checks, promissory notes, and money orders.  
*Non-negotiable instruments* are those you cannot transfer to someone by signing or delivering them.

☒ No  
☐ Yes. Give specific information about them..... Issuer name: \_\_\_\_\_

**21. Retirement or pension accounts**  
*Examples:* Interests in IRA, ERISA, Keogh, 401(k), 403(b), thrift savings accounts, or other pension or profit-sharing plans

☒ No  
☐ Yes. List each account separately. Type of account: \_\_\_\_\_ Institution name: \_\_\_\_\_

**22. Security deposits and prepayments**  
Your share of all unused deposits you have made so that you may continue service or use from a company  
*Examples:* Agreements with landlords, prepaid rent, public utilities (electric, gas, water), telecommunications companies, or others

☒ No  
☐ Yes..... Institution name or individual: \_\_\_\_\_

**23. Annuities** (A contract for a specific periodic payment of money to you, either for life or for a number of years)

☒ No  
☐ Yes..... Issuer name and description: \_\_\_\_\_

**24. Interests in an education IRA, in an account in a qualified ABLE program, or under a qualified state tuition program.**  
26 U.S.C. §§ 530(b)(1), 529A(b), and 529(b)(1).

☒ No  
☐ Yes..... Institution name and description. Separately file the records of any interests. 11 U.S.C. § 521(c)

**25. Trusts, equitable or future interests in property (other than anything listed in line 1), and rights or powers exercisable for your benefit**

☒ No  
☐ Yes. Give specific information about them \_\_\_\_\_

**26. Patents, copyrights, trademarks, trade secrets, and other intellectual property;**  
*Examples:* Internet domain names, websites, proceeds from royalties and licensing agreements

☒ No  
☐ Yes. Give specific information about them \_\_\_\_\_

**27. Licenses, franchises, and other general intangibles**  
*Examples:* Building permits, exclusive licenses, cooperative association holdings, liquor licenses, professional licenses

☒ No  
☐ Yes. Give specific information about them \_\_\_\_\_

## Exhibit 2

Debtor 1 **Charles** **David** **Arthur** Case number (if known) \_\_\_\_\_  
First Name Middle Name Last Name

**Money or property owed to you?**

**Current value of the  
portion you own?**  
Do not deduct secured  
claims or exemptions.

**28. Tax refunds owed to you**

☒ No

☐ Yes. Give specific information  
about them, including whether  
you already filed the returns  
and the tax years.....

Federal: \$0.00

State: \$0.00

Local: \$0.00

**29. Family support**

*Examples:* Past due or lump sum alimony, spousal support, child support, maintenance, divorce settlement, property settlement

☒ No

☐ Yes. Give specific information

Alimony: \$0.00

Maintenance: \$0.00

Support: \$0.00

Divorce settlement: \$0.00

Property settlement: \$0.00

**30. Other amounts someone owes you**

*Examples:* Unpaid wages, disability insurance payments, disability benefits, sick pay, vacation pay, workers' compensation, Social Security benefits; unpaid loans you made to someone else

☒ No

☐ Yes. Give specific information

**31. Interests in insurance policies**

*Examples:* Health, disability, or life insurance; health savings account (HSA); credit, homeowner's, or renter's insurance

☐ No

☒ Yes. Name the insurance  
company of each policy  
and list its value.....

Company name:

Beneficiary:

Surrender or refund value:

**Cigna Reliastar**

**Cash value less than \$5000.00**

**Claire Arthur**

**\$5,000.00**

**32. Any interest in property that is due you from someone who has died**

If you are the beneficiary of a living trust, expect proceeds from a life insurance policy, or are currently entitled to receive property because someone has died

☒ No

☐ Yes. Give specific information

**33. Claims against third parties, whether or not you have filed a lawsuit or made a demand for payment**

*Examples:* Accidents, employment disputes, insurance claims, or rights to sue

☒ No

☐ Yes. Describe each claim.....

**34. Other contingent and unliquidated claims of every nature, including counterclaims of the debtor and rights to set off claims**

☒ No

☐ Yes. Describe each claim.....

**35. Any financial assets you did not already list**

☒ No

☐ Yes. Give specific information

**36. Add the dollar value of all of your entries from Part 4, including any entries for pages you have attached for Part 4. Write that number here.....**

**Exhibit 2**

**\$7,505.00**



Debtor 1 **Charles** **David** **Arthur** Case number (if known) \_\_\_\_\_  
First Name Middle Name Last Name

**Part 5: Describe Any Business-Related Property You Own or Have an Interest In. List any real estate in Part 1.**

37. Do you own or have any legal or equitable interest in any business-related property?

- ☒ No. Go to Part 6.  
☐ Yes. Go to line 38.

Current value of the  
portion you own?  
Do not deduct secured  
claims or exemptions.

38. Accounts receivable or commissions you already earned

- ☒ No  
☐ Yes. Describe.. \_\_\_\_\_

39. Office equipment, furnishings, and supplies

Examples: Business-related computers, software, modems, printers, copiers, fax machines, rugs, telephones,  
desks, chairs, electronic devices

- ☒ No  
☐ Yes. Describe.. \_\_\_\_\_

40. Machinery, fixtures, equipment, supplies you use in business, and tools of your trade

- ☒ No  
☐ Yes. Describe.. \_\_\_\_\_

41. Inventory

- ☒ No  
☐ Yes. Describe.. \_\_\_\_\_

42. Interests in partnerships or joint ventures

- ☒ No  
☐ Yes. Describe..... Name of entity: \_\_\_\_\_ % of ownership: \_\_\_\_\_

43. Customer lists, mailing lists, or other compilations

- ☒ No  
☐ Yes. Do your lists include personally identifiable information (as defined in 11 U.S.C. § 101(41A))?  
☐ No  
☐ Yes. Describe..... \_\_\_\_\_

44. Any business-related property you did not already list

- ☒ No  
☐ Yes. Give specific information.

45. Add the dollar value of all of your entries from Part 5, including any entries for pages you have  
attached for Part 5. Write that number here..... →

\$0.00

**Part 6: Describe Any Farm- and Commercial Fishing-Related Property You Own or Have an Interest In.**  
If you own or have an interest in farmland, list it in Part 1.

46. Do you own or have any legal or equitable interest in any farm- or commercial fishing-related property?

- ☒ No. Go to Part 7.  
☐ Yes. Go to line 47.

## Exhibit 2

Debtor 1 **Charles** **David** **Arthur** Case number (if known) \_\_\_\_\_  
First Name Middle Name Last Name

**Current value of the  
portion you own?**  
Do not deduct secured  
claims or exemptions.

**47. Farm animals**

*Examples:* Livestock, poultry, farm-raised fish

- ☒ No  
☐ Yes....

\_\_\_\_\_

**48. Crops--either growing or harvested**

- ☒ No  
☐ Yes. Give specific  
information.....

\_\_\_\_\_

**49. Farm and fishing equipment, implements, machinery, fixtures, and tools of trade**

- ☒ No  
☐ Yes....

\_\_\_\_\_

**50. Farm and fishing supplies, chemicals, and feed**

- ☒ No  
☐ Yes....

\_\_\_\_\_

**51. Any farm- and commercial fishing-related property you did not already list**

- ☒ No  
☐ Yes. Give specific  
information.....

\_\_\_\_\_

**52. Add the dollar value of all of your entries from Part 6, including any entries for pages you have  
attached for Part 6. Write that number here.....**



**\$0.00**

**Part 7: Describe All Property You Own or Have an Interest in That You Did Not List Above**

**53. Do you have other property of any kind you did not already list?**

*Examples:* Season tickets, country club membership

- ☒ No  
☐ Yes. Give specific information.

**54. Add the dollar value of all of your entries from Part 7. Write that number here.....**



**\$0.00**

**Exhibit 2**

Debtor 1 Charles David Arthur Case number (if known) \_\_\_\_\_  
First Name Middle Name Last Name

**Part 8: List the Totals of Each Part of this Form**

55. Part 1: Total real estate, line 2.....	→	<u>\$375,000.00</u>
56. Part 2: Total vehicles, line 5	<u>\$15,000.00</u>	
57. Part 3: Total personal and household items, line 15	<u>\$14,500.00</u>	
58. Part 4: Total financial assets, line 36	<u>\$7,505.00</u>	
59. Part 5: Total business-related property, line 45	<u>\$0.00</u>	
60. Part 6: Total farm- and fishing-related property, line 52	<u>\$0.00</u>	
61. Part 7: Total other property not listed, line 54	<u>+</u> <u>\$0.00</u>	
62. Total personal property. Add lines 56 through 61.....	<div><u>\$37,005.00</u></div>	Copy personal property total → <u>+</u> <u>\$37,005.00</u>
63. Total of all property on Schedule A/B. Add line 55 + line 62.....		<div><u>\$412,005.00</u></div>

**Exhibit 2**

**Fill in this information to identify your case:**

Debtor 1	<b>Charles</b>	<b>David</b>	<b>Arthur</b>
	First Name	Middle Name	Last Name
Debtor 2 (Spouse, if filing)	<b>Claire</b>	<b>Bigornia Blanza</b>	<b>Arthur</b>
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	<b>CENTRAL DIST. OF CALIFORNIA</b>		
Case number (if known)			

☐ Check if this is an amended filing

**Official Form 106C**

**Schedule C: The Property You Claim as Exempt**

**04/16**

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. Using the property you listed on *Schedule A/B: Property* (Official Form 106A/B) as your source, list the property that you claim as exempt. If more space is needed, fill out and attach to this page as many copies of *Part 2: Additional Page* as necessary. On the top of any additional pages, write your name and case number (if known).

For each item of property you claim as exempt, you must specify the amount of the exemption you claim. One way of doing so is to state a specific dollar amount as exempt. Alternatively, you may claim the full fair market value of the property being exempted up to the amount of any applicable statutory limit. Some exemptions--such as those for health aids, rights to receive certain benefits, and tax-exempt retirement funds--may be unlimited in dollar amount. However, if you claim an exemption of 100% of fair market value under a law that limits the exemption to a particular dollar amount and the value of the property is determined to exceed that amount, your exemption would be limited to the applicable statutory amount.

**Part 1: Identify the Property You Claim as Exempt**

**1. Which set of exemptions are you claiming?** *Check one only, even if your spouse is filing with you.*

- ☒ You are claiming state and federal nonbankruptcy exemptions. 11 U.S.C. § 522(b)(3)  
☐ You are claiming federal exemptions. 11 U.S.C. § 522(b)(2)

**2. For any property you list on *Schedule A/B* that you claim as exempt, fill in the information below.**

Brief description of the property and line on <i>Schedule A/B</i> that lists this property	Current value of the portion you own	Amount of the exemption you claim	Specific laws that allow exemption
	Copy the value from <i>Schedule A/B</i>	Check only one box for each exemption	
Brief description: <b>2006 BMW 530xi (approx. 132000 miles)</b> <b>(1st exemption claimed for this asset)</b> Line from <i>Schedule A/B</i> : <u>3.1</u>	<u>\$15,000.00</u>	<input checked="" type="checkbox"/> \$5,350.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(2)
Brief description: <b>2006 BMW 530xi (approx. 132000 miles)</b> <b>(2nd exemption claimed for this asset)</b> Line from <i>Schedule A/B</i> : <u>3.1</u>	<u>\$15,000.00</u>	<input checked="" type="checkbox"/> \$3,650.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(5)

**3. Are you claiming a homestead exemption of more than \$160,375?**

(Subject to adjustment on 4/01/19 and every 3 years after that for cases filed on or after the date of adjustment.)

- ☒ No  
☐ Yes. Did you acquire the property covered by the exemption within 1,215 days before you filed this case?  
☐ No  
☐ Yes

**Exhibit 2**

Debtor 1 **Charles** **David** **Arthur** Case number (if known) \_\_\_\_\_  
First Name Middle Name Last Name

**Part 2: Additional Page**

Brief description of the property and line on <i>Schedule A/B</i> that lists this property	Current value of the portion you own  Copy the value from <i>Schedule A/B</i>	Amount of the exemption you claim  Check only one box for each exemption	Specific laws that allow exemption
Brief description: <b>Garage Sale Value of individual items in the aggregate.</b> Line from <i>Schedule A/B</i> : <u>6</u>	<u>\$2,500.00</u>	<input checked="" type="checkbox"/> <u>\$2,500.00</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(3)
Brief description: <b>Garage sale value</b> Line from <i>Schedule A/B</i> : <u>7</u>	<u>\$1,000.00</u>	<input checked="" type="checkbox"/> <u>\$1,000.00</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(3)
Brief description: <b>Fitness room.</b> Line from <i>Schedule A/B</i> : <u>9</u>	<u>\$500.00</u>	<input checked="" type="checkbox"/> <u>\$500.00</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(3)
Brief description: <b>Clothing for the household.</b> Line from <i>Schedule A/B</i> : <u>11</u>	<u>\$500.00</u>	<input checked="" type="checkbox"/> <u>\$500.00</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(3)
Brief description: <b>Wedding Rings \$5000 (1st exemption claimed for this asset)</b> Line from <i>Schedule A/B</i> : <u>12</u>	<u>\$10,000.00</u>	<input checked="" type="checkbox"/> <u>\$1,600.00</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(4)
Brief description: <b>Wedding Rings \$5000 (2nd exemption claimed for this asset)</b> Line from <i>Schedule A/B</i> : <u>12</u>	<u>\$10,000.00</u>	<input checked="" type="checkbox"/> <u>\$8,400.00</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(5)
Brief description: <b>Cash in hand</b> Line from <i>Schedule A/B</i> : <u>16</u>	<u>\$500.00</u>	<input checked="" type="checkbox"/> <u>\$500.00</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(5)
Brief description: <b>Checking account Chase Bank</b> Line from <i>Schedule A/B</i> : <u>17.1</u>	<u>\$2,000.00</u>	<input checked="" type="checkbox"/> <u>\$2,000.00</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(5)
Brief description: <b>Checking account Chase Account</b> Line from <i>Schedule A/B</i> : <u>17.2</u>	<u>\$0.00</u>	<input checked="" type="checkbox"/> <u>\$0.00</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	C.C.P. § 703.140(b)(5)

## Exhibit 2

Debtor 1 **Charles** **David** **Arthur** Case number (if known) \_\_\_\_\_  
First Name Middle Name Last Name

**Part 2: Additional Page**

Brief description of the property and line on <i>Schedule A/B</i> that lists this property	Current value of the portion you own  Copy the value from <i>Schedule A/B</i>	Amount of the exemption you claim  Check only one box for each exemption	Specific laws that allow exemption
Brief description: <b>Checking account</b> <b>Bank of America Checking via the EDD</b> Line from <i>Schedule A/B</i> : <u>17.3</u>	<u>\$5.00</u>	<input checked="" type="checkbox"/> <u>\$5.00</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	<b>C.C.P. § 703.140(b)(5)</b>
Brief description: <b>Cigna Reliastar</b> <b>Cash value less than \$5000.00</b> Line from <i>Schedule A/B</i> : <u>31</u>	<u>\$5,000.00</u>	<input checked="" type="checkbox"/> <u>\$5,000.00</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	<b>C.C.P. § 703.140(b)(7)</b>

## Exhibit 2

**Fill in this information to identify your case:**

Debtor 1	<b>Charles</b>	<b>David</b>	<b>Arthur</b>
	First Name	Middle Name	Last Name
Debtor 2 (Spouse, if filing)	<b>Claire</b>	<b>Bigornia Blanza</b>	<b>Arthur</b>
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the: <b>CENTRAL DIST. OF CALIFORNIA</b>			
Case number (if known)			

☐ Check if this is an amended filing

Official Form 106D

**Schedule D: Creditors Who Have Claims Secured by Property**

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, copy the Additional Page, fill it out, number the entries, and attach it to this form. On the top of any additional pages, write your name and case number (if known).

**1. Do any creditors have claims secured by your property?**

- ☐ No. Check this box and submit this form to the court with your other schedules. You have nothing else to report on this form.
- ☒ Yes. Fill in all of the information below.

**Part 1: List All Secured Claims**

**2. List all secured claims.** If a creditor has more than one secured claim, list the creditor separately for each claim. If more than one creditor has a particular claim, list the other creditors in Part 2. As much as possible, list the claims in alphabetical order according to the creditor's name.

*Column A*  
**Amount of claim**  
Do not deduct the value of collateral

*Column B*  
**Value of collateral that supports this claim**

*Column C*  
**Unsecured portion**  
If any

2.1

**Describe the property that secures the claim:**

**\$600.00**

**\$375,000.00**

**\$600.00**

**Management Trust Inc.**

Creditor's name

**15661 Red Hill Avenue, Suite 201**

Number Street

**35965 Carlton Road**

**As of the date you file, the claim is:** Check all that apply.

- ☒ Contingent
- ☒ Unliquidated
- ☒ Disputed

**Tustin CA 92780**

City State ZIP Code

**Who owes the debt?** Check one.

- ☐ Debtor 1 only
- ☐ Debtor 2 only
- ☒ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

☒ Check if this claim relates to a community debt

**Nature of lien.** Check all that apply.

- ☒ An agreement you made (such as mortgage or secured car loan)
- ☐ Statutory lien (such as tax lien, mechanic's lien)
- ☐ Judgment lien from a lawsuit
- ☒ Other (including a right to offset)

**HOA Obligation**

**Date debt was incurred**

**Last 4 digits of account number**

Add the dollar value of your entries in Column A on this page. Write that number here:

**Exhibit 2**

**\$600.00**

Debtor 1 **Charles** **David** **Arthur** Case number (if known) \_\_\_\_\_  
First Name Middle Name Last Name

Part 1:	Additional Page After listing any entries on this page, number them sequentially from the previous page.	Column A	Column B	Column C
		Amount of claim Do not deduct the value of collateral	Value of collateral that supports this claim	Unsecured portion If any

2.2	Describe the property that secures the claim: <b>Marriott International, Inc.</b> Creditor's name <b>Scott A. McIntyre</b> Number Street <b>225 S. Civic Drive #2-12</b>  <b>Palm Springs CA 92262</b> City State ZIP Code	35965 Carlton Road	\$24,670.31	\$375,000.00	\$24,670.31
<p>As of the date you file, the claim is: Check all that apply.</p> <p><input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed</p> <p><b>Nature of lien.</b> Check all that apply.</p> <p><input type="checkbox"/> An agreement you made (such as mortgage or secured car loan) <input type="checkbox"/> Statutory lien (such as tax lien, mechanic's lien) <input checked="" type="checkbox"/> Judgment lien from a lawsuit <input checked="" type="checkbox"/> Other (including a right to offset)</p> <p><b>Consumer Debt</b></p> <p><input checked="" type="checkbox"/> Check if this claim relates to a community debt</p> <p>Date debt was incurred _____ Last 4 digits of account number <u>3</u> <u>5</u> <u>2</u> <u>2</u></p>					

2.3	Describe the property that secures the claim: <b>Miramar Sports Cars</b> Creditor's name <b>7795 Arjons Suite 100A</b> Number Street  <b>San Diego CA 92126</b> City State ZIP Code	2006 BMW 530xi (approx. 132000 miles)	\$6,000.00	\$15,000.00	
<p>As of the date you file, the claim is: Check all that apply.</p> <p><input type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed</p> <p><b>Nature of lien.</b> Check all that apply.</p> <p><input checked="" type="checkbox"/> An agreement you made (such as mortgage or secured car loan) <input type="checkbox"/> Statutory lien (such as tax lien, mechanic's lien) <input type="checkbox"/> Judgment lien from a lawsuit <input checked="" type="checkbox"/> Other (including a right to offset)</p> <p><b>Purchase Money Security Interest</b></p> <p><input checked="" type="checkbox"/> Check if this claim relates to a community debt</p> <p>Date debt was incurred _____ Last 4 digits of account number _____</p>					

Add the dollar value of your entries in Column A on this page. Write that number here: **Exhibit 2** \$30,670.31



Debtor 1 **Charles** **David** **Arthur** Case number (if known) \_\_\_\_\_  
First Name Middle Name Last Name

Part 1:	Additional Page After listing any entries on this page, number them sequentially from the previous page.	Column A	Column B	Column C
		Amount of claim Do not deduct the value of collateral	Value of collateral that supports this claim	Unsecured portion If any
2.4	Describe the property that secures the claim: <b>Shellpoint Mortgage Se</b> Creditor's name <b>55 Beattie Pl Ste 110</b> Number Street  <b>Greenville SC 29601</b> City State ZIP Code  <b>Who owes the debt?</b> Check one. <input type="checkbox"/> Debtor 1 only <input type="checkbox"/> Debtor 2 only <input checked="" type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input checked="" type="checkbox"/> Check if this claim relates to a community debt  Date debt was incurred <b>06/2008</b> Last 4 digits of account number <b>8 1 8 3</b> <b>In Foreclosure</b>	\$499,320.00	\$375,000.00	\$124,320.00
<b>As of the date you file, the claim is:</b> Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Nature of lien.</b> Check all that apply. <input checked="" type="checkbox"/> An agreement you made (such as mortgage or secured car loan) <input type="checkbox"/> Statutory lien (such as tax lien, mechanic's lien) <input type="checkbox"/> Judgment lien from a lawsuit <input checked="" type="checkbox"/> Other (including a right to offset) <b>Conventional Real Estate Mortgage</b>				

Add the dollar value of your entries in Column A on this page. Write that number here:

\$499,320.00

If this is the last page of your form, add the dollar value totals from all pages. Write that number here:

Exhibit 2

\$530,590.31

**Exhibit 3**  
**Sale Agreement and Trustee Short Sale**  
**Addendum**

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**CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT  
AND JOINT ESCROW INSTRUCTIONS  
TABLE OF ATTACHED FORMS  
(04/15)**

**Attached Forms**

The RPA-CA includes the following forms in the following order:

- Disclosure Regarding Real Estate Agency (2 pages)  
(C.A.R. Form AD-2)..... (starting on second page)
- Possible Representation - Buyer/Seller (1 page)  
(C.A.R. Form PRBS)..... (starting on fourth page)
- Table of Contents - Residential Purchase Agreement  
(C.A.R. Form TOC-RPA).....(starting on fifth page)
- Residential Purchase Agreement (10 pages)  
(C.A.R. Form RPA-CA)..... (starting on sixth page)
- Buyer Inspection Advisory (1 page)  
(C.A.R. Form BIA)..... (starting on sixteenth page)

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**TABLE OF ATTACHED FORMS**



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Adelaida Chocano

Phone: 760.500-8156 Fax: 760.893-8048  
Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48020 [www.zipLogix.com](http://www.zipLogix.com)

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**DISCLOSURE REGARDING  
REAL ESTATE AGENCY RELATIONSHIP**

(Selling Firm to Buyer)  
(As required by the Civil Code)  
(C.A.R. Form AD, Revised 12/14)

☐ (If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k) and (m).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

**SELLER'S AGENT**

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.

(b) A duty of honest and fair dealing and good faith.

(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**BUYER'S AGENT**

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.

(b) A duty of honest and fair dealing and good faith.

(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**AGENT REPRESENTING BOTH SELLER AND BUYER**

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.

(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

Discussed by: KARINA JIMENEZ Date 02/15/2017  
☒ Buyer ☐ Seller ☐ Landlord ☐ Tenant  
KARINA JIMENEZ, LICENSE # 0100000000

Discussed by: Anthony Silva Date 02/15/2017  
☒ Buyer ☐ Seller ☐ Landlord ☐ Tenant  
ANTHONY SILVA, LICENSE # 0100000000

Agent WINDERMERE HOMES & ESTATES BRE Lic. # 01935781  
ADELAIDA CHOCANO Broker (Firm)

By ADELAIDA CHOCANO BRE Lic. # 01319338 Date 02/15/2017  
(Salesperson or Broker-Associate) ADELAIDA CHOCANO

**Agency Disclosure Compliance (Civil Code §2079.14):**

- When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant.
- When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here:

Seller/Landlord THVSTGE Date 2/19/17 Seller/Landlord \_\_\_\_\_ Date \_\_\_\_\_

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**Exhibit 3**

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# CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.  
(DO NOT COMPLETE. SAMPLE ONLY) is the agent of (check one): ☐ the seller exclusively; or ☐ both the buyer and seller.

(Name of Listing Agent)  
(DO NOT COMPLETE. SAMPLE ONLY) is the agent of (check one): ☐ the buyer exclusively; or ☐ the seller exclusively; or ☐ both the buyer and seller.  
(Name of Selling Agent if not the same as the Listing Agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

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DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 2 OF 2)

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



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**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER  
OR SELLER - DISCLOSURE AND CONSENT**  
(C.A.R. Form PRBS, 11/14)

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

**Multiple Buyers:** Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

**Multiple Sellers:** Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

**Dual Agency:** If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: (a) Broker, without the prior written consent of the Buyer, will not disclose to seller that the Buyer is willing to pay a price greater than the offered price; (b) Broker, without the prior written consent of the seller, will not disclose to the buyer that seller is willing to sell property at a price less than the listing price; and (c) other than as set forth in (a) and (b) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.

**Offers not necessarily confidential:** Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

**Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.**

Seller \_\_\_\_\_ Date 2/19/17  
Seller \_\_\_\_\_ Date \_\_\_\_\_

Buyer KARINA JIMENEZ Date 02/15/2017  
Buyer ANTHONY SILVA Date 02/15/2017

Real Estate Broker (Firm) HYATT RELOCATION CORP. CalBRE Lic # \_\_\_\_\_ Date \_\_\_\_\_  
By DEBBIE PRIEBE CalBRE Lic # 01173882 Date 2-17-17

Real Estate Broker (Firm) WINDERMERE HOMES & ESTATES CalBRE Lic # 01935781 Date 02/15/2017  
By ADELALDA CHOCANO CalBRE Lic # 01319338 Date 02/15/2017

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



PRBS 11/14 (PAGE 1 OF 1)

**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)**

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**RESIDENTIAL PURCHASE AGREEMENT**  
(C.A.R. Form TOC-RPA 11/14)

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



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35965 CARLTON

**Exhibit 3**



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

EXEMPT SELLER DISCLOSURE  
(C.A.R. Form ESD, Revised 12/16)

1. Seller ( ☐ landlord ) makes the following disclosures with regard to the real property or manufactured home described as  
35555 Carlton Rd, situated in Wildomar  
(City), Riverside (County), California, 92585-7639 (Zip Code) Assessor's Parcel No. 352-880-020 ("Property").
2. Under California law (Civil Code §1102, et seq.) most Sellers of real property containing 1-4 residential units are required to provide prospective Buyers with a completed Real Estate Transfer Disclosure Statement ("TDS"). Certain Sellers are exempt from completing the TDS but not exempt from making other disclosures. Sellers who are not legally required to complete a TDS can use this form to make other required disclosures, including the disclosure of material facts of which they are aware.
3. THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS DISCLOSURE STATEMENT IS NOT A WARRANTY OF ANY KIND BY THE SELLER OR ANY AGENT(S) AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN. A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF SELLER OR BUYER DESIRE LEGAL ADVICE, CONSULT AN ATTORNEY.
4. Are you (Seller) aware of any of the following? (Explain any "yes" answers below.)
- |  |  |
|--|--|
| A. Within the last 3 years, the death of an occupant of the Property upon the Property.  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| B. An Order from a government health official identifying the Property as being contaminated by methamphetamine. (If yes, attach a copy of the Order.)   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| C. The release of an illegal controlled substance on or beneath the Property   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| D. Whether the Property is located in or adjacent to an "industrial use" zone. (In general, a zone or district allowing manufacturing, commercial or airport uses.)  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| E. Whether the Property is affected by a nuisance created by an "industrial use" zone  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| F. Whether the Property is located within 1 mile of a former federal or state ordinance location. (In general, an area once used for military training purposes that may contain potentially explosive munitions.) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| G. Whether the Property is a condominium or located in a planned unit development or other common interest subdivision   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| H. Insurance claims affecting the Property within the past 5 years   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| I. Matters affecting title of the Property   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| J. Material facts or defects affecting the Property not otherwise disclosed to Buyer   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
- Explanation, or ☐ (if checked) see attached: Trusting has no personal knowledge of the property or its condition.

5. Seller represents that the information herein is true and correct to the best of Seller's knowledge as of the date signed by Seller. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a Copy of this statement to any person or entity in connection with any actual or anticipated sale of the Property.

Seller/Landlord: [Signature]  
Date: 4/21/17

6. By signing below, Buyer acknowledges Buyer has received, read, and understands this Exempt Seller Disclosure form.

Buyer/Tenant: \_\_\_\_\_  
Buyer/Tenant: \_\_\_\_\_

Date: \_\_\_\_\_  
Date: \_\_\_\_\_

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CALIFORNIA  
ASSOCIATION  
OF REALTORS®

CALIFORNIA  
RESIDENTIAL PURCHASE AGREEMENT  
AND JOINT ESCROW INSTRUCTIONS  
(C.A.R. Form RPA-CA, Revised 12/15)

Date Prepared: 02/15/2017

1. OFFER:

- A. THIS IS AN OFFER FROM KARINA JIMENEZ, ANTHONY SILVA ("Buyer").  
B. THE REAL PROPERTY to be acquired is 35965 CARLTON RD., WILDOMAR, CA 92595, situated in  
WILDOMAR (City), RIVERSIDE (County), California, 92595 (Zip Code), Assessor's Parcel No. 362680020 ("Property").  
C. THE PURCHASE PRICE offered is Three Hundred Fifty Thousand

Dollars \$ 350,000.00

- D. CLOSE OF ESCROW shall occur on                      (date) or ☒ 30 Days After Acceptance).  
E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. DISCLOSURE: The Parties each acknowledge receipt of a ☒ "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).  
B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:  
Listing Agent HYATT RELOCATION CORP. (Print Firm Name) is the agent of (check one):  
☒ the Seller exclusively; or ☐ both the Buyer and Seller.  
Selling Agent WINDERMERE HOMES & ESTATES (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): ☒ the Buyer exclusively; or ☐ the Seller exclusively; or ☐ both the Buyer and Seller.  
C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a ☒ "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.

- A. INITIAL DEPOSIT: Deposit shall be in the amount of                      \$ 3,500.00  
(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, ☐ cashier's check, ☐ personal check, ☐ other                      within 3 business days after Acceptance (or                     );  
OR (2) ☐ Buyer Deposit with Agent: Buyer has given the deposit by personal check (or                     ) to the agent submitting the offer (or to                     ), made payable to

                    . The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or                     ).  
Deposit checks given to agent shall be an original signed check and not a copy.

(Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)

- B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of                      \$                      within                      Days After Acceptance (or                     ).  
If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.

- C. ☐ ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or ☐ Buyer shall, within 3 (or                     ) Days After Acceptance, Deliver to Seller such verification.

D. LOAN(S):

- (1) FIRST LOAN: in the amount of                      \$ 280,000.00  
This loan will be conventional financing or ☐ FHA, ☐ VA, ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ Other                     . This loan shall be at a fixed rate not to exceed                      % or, ☐ an adjustable rate loan with initial rate not to exceed                      %. Regardless of the type of loan, Buyer shall pay points not to exceed 4.500 % of the loan amount.  
(2) ☐ SECOND LOAN in the amount of                      \$                       
This loan will be conventional financing or ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ Other                     . This loan shall be at a fixed rate not to exceed                      % or, ☐ an adjustable rate loan with initial rate not to exceed                      %. Regardless of the type of loan, Buyer shall pay points not to exceed                      % of the loan amount.  
(3) FHA/VA: For any FHA or VA loan specified in 3D(1), Buyer has 17 (or                     ) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHAVA amendatory clause (C.A.R. Form FVAC) shall be a part of this Agreement.

E. ADDITIONAL FINANCING TERMS:                     

- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of                      \$ 66,500.00  
to be deposited with Escrow Holder pursuant to Escrow Holder instructions.  
G. PURCHASE PRICE (TOTAL):                      \$ 350,000.00

Buyer's Initials ( KJ ) ( AS )  
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Seller's Initials ( LD ) (                      )



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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 10)

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Property Address: 35965 CARLTON RD., WILDOMAR, CA 92595

Date: February 15, 2017

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or \_\_\_\_\_) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (☒ Verification attached.)

I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or ☐ is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 14B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or \_\_\_\_\_) Days After Acceptance.

J. LOAN TERMS:

(1) LOAN APPLICATIONS: Within 3 (or \_\_\_\_\_) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (☒ Letter attached.)

(2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) LOAN CONTINGENCY REMOVAL:

Within 21 (or \_\_\_\_\_) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

(4) ☐ NO LOAN CONTINGENCY: Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

(5) LENDER LIMITS ON BUYER CREDITS: Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

K. BUYER STATED FINANCING: Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

4. SALE OF BUYER'S PROPERTY:

A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.

OR B. ☐ This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

5. ADDENDA AND ADVISORIES:

A. ADDENDA:

<input type="checkbox"/> Addendum # _____ (C.A.R. Form ADM)
<input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO)
<input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA)
<input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
<input checked="" type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA)
<input checked="" type="checkbox"/> Other See Text Overflow Addendum (C.A.R. _____)

B. BUYER AND SELLER ADVISORIES:

<input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA)
<input type="checkbox"/> Probate Advisory (C.A.R. Form PA)
<input checked="" type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
<input type="checkbox"/> Trust Advisory (C.A.R. Form TA)
<input type="checkbox"/> REO Advisory (C.A.R. Form REO)
<input checked="" type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA)
<input checked="" type="checkbox"/> Other <b>WIRING SCAM &amp; ANTI-FRAUD ADVISORY</b>

6. OTHER TERMS:

7. ALLOCATION OF COSTS

A. INSPECTIONS, REPORTS AND CERTIFICATES: Unless otherwise agreed in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.

(1) ☐ Buyer ☐ Seller shall pay for a natural hazard zone disclosure report, including tax ☐ environmental ☐ Other: \_\_\_\_\_ prepared by Click here to select your Service Provider

(2) ☐ Buyer ☐ Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_

(3) ☐ Buyer ☐ Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_

Buyer's Initials ( LS ) ( AS )

Seller's Initials ( CD ) ( \_\_\_\_\_ )

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 2 OF 10)

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Property Address: 35965 CARLTON RD., WILDOMAR, CA 92595

Date: February 15, 2017

**B. GOVERNMENT REQUIREMENTS AND RETROFIT:**

- (1) ☐ Buyer ☐ Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.
- (2) (i) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.
- (ii) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.
- (iii) Buyer shall be provided, within the time specified in paragraph 14A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

**C. ESCROW AND TITLE:**

- (1) (a) ☒ Buyer ☒ Seller shall pay escrow fee EACH PARTY TO PAY THEIR OWN SHARE 50/50
- (b) Escrow Holder shall be SELLER'S CHOICE
- (c) The Parties shall, within 5 (or     ) Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a) ☐ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 13E
- (b) Owner's title policy to be issued by SELLER'S CHOICE
- (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

**D. OTHER COSTS:**

- (1) ☐ Buyer ☒ Seller shall pay County transfer tax or fee
- (2) ☐ Buyer ☒ Seller shall pay City transfer tax or fee
- (3) ☐ Buyer ☒ Seller shall pay Homeowners' Association ("HOA") transfer fee
- (4) Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.
- (5) ☐ Buyer ☒ Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
- (6) Buyer to pay for any HOA certification fee.
- (7) ☐ Buyer ☒ Seller shall pay for any private transfer fee IF ANY
- (8) ☐ Buyer ☐ Seller shall pay for
- (9) ☐ Buyer ☐ Seller shall pay for
- (10) ☐ Buyer ☐ Seller shall pay for the cost, not to exceed \$     , of a standard (or ☐ upgraded) one-year home warranty plan, issued by Click here to select your Service Provider, with the following optional coverages: ☐ Air Conditioner ☐ Pool/Spa ☐ Other:
- Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.

OR ☐ Buyer waives the purchase of a home warranty plan. Nothing in this paragraph precludes Buyer's purchasing a home warranty plan during the term of this Agreement.

**8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:**

**A. NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in paragraph 8 B or C.

**B. ITEMS INCLUDED IN SALE:** Except as otherwise specified or disclosed,

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms and the following if checked: ☒ all stove(s), except     ; ☐ all refrigerator(s) except     ; ☐ all washer(s) and dryer(s), except     ;
- (3) The following additional items:
- (4) Existing integrated phone and home automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are (☐ are NOT) included in the sale.
- (5) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller shall, within the time specified in paragraph 14A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 14B and C.
- (6) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to 8B(5) and     , and (ii) are transferred without Seller warranty regardless of value.

**C. ITEMS EXCLUDED FROM SALE:** Unless otherwise specified, the following items are excluded from sale: (i) audio and video components (such as flat screen TVs, speakers and other items) if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component or item is attached to the Property; (ii) furniture and other items secured to the Property for earthquake purposes; and (iii)     

     Brackets attached to walls, floors or ceilings for any such component, furniture or item shall remain with the Property (or ☐ will be removed and holes or other damage shall be repaired, but not painted).

Buyer's Initials ( ES ) ( AS )

Seller's Initials ( CS ) (      )

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 3 OF 10)

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Date: **February 15, 2017**

**9. CLOSING AND POSSESSION:**

- A. Buyer intends (or ☐ does not intend) to occupy the Property as Buyer's primary residence.
- B. Seller-occupied or vacant property: Possession shall be delivered to Buyer: (i) at 6 PM or (☐ AM/☐ PM) on the date of Close Of Escrow; (ii) ☐ no later than \_\_\_\_\_ calendar days after Close Of Escrow; or (iii) ☐ at ☐ AM/☐ PM on \_\_\_\_\_.
- C. Seller remaining in possession After Close Of Escrow: If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as ☐ C.A.R. Form SIP, for Seller continued occupancy of less than 30 days, ☐ C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- D. Tenant-occupied property: Property shall be vacant at least 5 (or \_\_\_\_\_) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.

OR ☐ Tenant to remain in possession (C.A.R. Form TIP).

- E. At Close Of Escrow: Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.
- F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

**10. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:**

- A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Ross Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD).
- (2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Listing Agent, if any, has completed and signed the Listing Broker section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Broker, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Broker.
- (3) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.
- (4) Within the time specified in paragraph 14A, (i) Seller, unless exempt from the obligation to provide a TDS, shall, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ); (ii) if Seller is not required to provide a TDS, Seller shall complete and provide Buyer with an Exempt Seller Disclosure (C.A.R. Form ESD).
- (5) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.
- (6) In the event Seller or Listing Broker, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.
- (7) If any disclosure or notice specified in paragraph 10A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After Delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent.
- B. NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS: Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet, and home energy rating pamphlet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- C. WITHHOLDING TAXES: Within the time specified in paragraph 14A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).
- D. MEGAN'S LAW DATABASE DISCLOSURE: Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at [www.meganslaw.ca.gov](http://www.meganslaw.ca.gov). Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
- E. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES: This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
- F. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:
- (1) SELLER HAS: 7 (or \_\_\_\_\_) Days After Acceptance to disclose to Buyer if the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or ESD).

Buyer's Initials (   *AS*   ) (   *AS*   )  
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Seller's Initials (   *CD*   ) (        )



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 4 OF 10)

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35965 CARLTON

**Exhibit 3**

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Property Address: **35965 CARLTON RD., WILDOMAR, CA 92595**

Date: **February 15, 2017**

- (2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or \_\_\_\_ ) Days After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). (vi) private transfer fees; (vii) Pet fee restrictions; and (viii) smoking restrictions. Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.
11. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
- A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B. Buyer has the right to conduct Buyer Investigations of the Property and, as specified in paragraph 14B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
- C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property Improvements may not be built according to code, in compliance with current Law, or have had permits issued.
12. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to: (i) a general physical inspection; (ii) an inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) inspect for lead-based paint and other lead-based paint hazards; (iv) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA); (v) review the registered sex offender database; (vi) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; and (vii) review and seek approval of leases that may need to be assumed by Buyer. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report; or inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 14B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
- D. **Buyer indemnity and seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
13. **TITLE AND VESTING:**
- A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

Buyer's Initials ( BJ ) ( ES )  
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Seller's Initials ( CS ) ( \_\_\_\_\_ )



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35965 CARLTON

**Exhibit 3**

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Date: February 15, 2017

- E. Buyer shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.
14. **TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).
- A. **SELLER HAS: 7 (or \_\_\_\_ ) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5, 6, 7, 8B(5), 10A, B, C, and F, 11A and 13A.** If, by the time specified, Seller has not Delivered any such item, Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement.
- B. (1) **BUYER HAS: 17 (or \_\_\_\_ ) Days After Acceptance, unless otherwise agreed in writing, to:** (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(5), and other applicable information, which Buyer receives from Seller, and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 10A.
- (2) Within the time specified in paragraph 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
- (3) By the end of the time specified in paragraph 14B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 14A, then Buyer has 5 (or \_\_\_\_ ) Days After Delivery of any such items, or the time specified in paragraph 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
- (4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 14B(1) and before Seller cancels, if at all, pursuant to paragraph 14D, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 14D(1).
- (5) **Access to Property:** Buyer shall have access to the Property to conduct inspections and investigations for 17 (or \_\_\_\_ ) Days After Acceptance, whether or not any part of the Buyer's Investigation Contingency has been waived or removed.
- C. ☐ **REMOVAL OF CONTINGENCIES WITH OFFER:** Buyer removes the contingencies specified in the attached Contingency Removal form (C.A.R. Form CR). If Buyer removes any contingency without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Broker.
- D. **SELLER RIGHT TO CANCEL:**
- (1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
- (2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A, or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; (v) In writing assume or accept leases or liens specified in 8B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B; or (viii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
- E. **NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or \_\_\_\_ ) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 14.
- F. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
- G. **CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or \_\_\_\_ ) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.
- H. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit. (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

Buyer's Initials ( h ) ( AS )  
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Seller's Initials ( CS ) (        )



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Date: **February 15, 2017**

15. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or ☐ ) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 11; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
16. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
17. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
18. **BROKERS:**
- A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
- B. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
19. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing this Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 31 or 32 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).
20. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 13, 14G, 17, 18A, 19, 20, 26, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or ☐ ) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 or elsewhere in this Agreement.
- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or ☐ ). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.

Buyer's Initials ( LS ) ( AS )  
RPA-CA REVISED 12/15 (PAGE 7 OF 10)

Seller's Initials ( ES ) (      )



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 7 OF 10)

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Property Address: **35965 CARLTON RD., WILDOMAR, CA 92595**

Date: **February 15, 2017**

- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 18A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (I) If Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (II) If Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

**21. REMEDIES FOR BUYER'S BREACH OF CONTRACT:**

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Except as provided in paragraph 14H, release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT THE TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).**

Buyer's Initials BJ / AS

Seller's Initials AS / AS

**22. DISPUTE RESOLUTION:**

- A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Real Estate Mediation Center for Consumers ([www.consumermediation.org](http://www.consumermediation.org)) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.** Exclusions from this mediation agreement are specified in paragraph 22C.
- B. **ARBITRATION OF DISPUTES:**

The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 22C.

**"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."**

**"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."**

Buyer's Initials BJ / AS

Seller's Initials AS / AS

**C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:**

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

Buyer's Initials ( BJ ) ( AS )

Seller's Initials ( AS ) ( AS )

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 8 OF 10)

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**Exhibit 3**



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Property Address: **35965 CARLTON RD., WILDOMAR, CA 92595**

Date: **February 15, 2017**

- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (I) the filing of a court action to preserve a statute of limitations; (II) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (III) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to this Agreement.
23. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
24. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
25. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.
26. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller. (C.A.R. Form AOA).
27. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
28. **TERMS AND CONDITIONS OF OFFER:**  
This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initiated by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. The Parties have read and acknowledge receipt of a Copy of the offer and agree to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
29. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
30. **DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
  - B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
  - C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
  - D. "Close Of Escrow", including "COE", means the date the grant deed, or other evidence of transfer of title, is recorded.
  - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
  - F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
  - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
  - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
  - I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 10, regardless of the method used (i.e., messenger, mail, email, fax, other).
  - J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
  - K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
  - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
  - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
31. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by ADELAIDA CHOCANO, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by ☐ AM/ ☐ PM, on \_\_\_\_\_ (date)).

☐ One or more Buyers is signing this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-B) for additional terms.

Date **02/15/2017** BUYER

(Print name) **KARINA JIMENEZ**

Date **02/15/2017** BUYER

(Print name) **ANTHONY SILVA**

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

Seller's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 9 OF 10)

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Property Address: 35965 CARLTON RD., WILDOMAR, CA 92595

Date: February 15, 2017

32. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, and agrees to sell the Property on the above terms and conditions. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

☐ (If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED:

☐ One or more Sellers is signing this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date \_\_\_\_\_ SELLER \_\_\_\_\_

(Print name) \_\_\_\_\_

Date \_\_\_\_\_ SELLER \_\_\_\_\_

(Print name) \_\_\_\_\_

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

(\_\_\_\_\_/\_\_\_\_\_) (Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_  
☐ AM/ ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; It is solely intended to evidence the date that Confirmation of Acceptance has occurred.

**REAL ESTATE BROKERS:**

A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

B. Agency relationships are confirmed as stated in paragraph 2.

C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.

D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) WINDERMERE HOMES & ESTATES CalBRE Lic. # 01935781  
By ADELAIDA CHOCANO ADELAIDA CHOCANO CalBRE Lic. # 01319338 Date 02/15/2017  
By DocuSigned By: ADELAIDA CHOCANO CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
Address 8965 EL CAMINO REAL, SUITE 107 City CARLSBAD State CA Zip 92009  
Telephone \_\_\_\_\_ Fax (760) 230-3148 E-mail staradela@yahoo.com  
Real Estate Broker (Listing Firm) HYATT RELOCATION CORP. CalBRE Lic. # \_\_\_\_\_  
By Debbie Pribe DEBBIE PRIEBE CalBRE Lic. # 01738826 Date 2-17-17  
By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

**ESCROW HOLDER ACKNOWLEDGMENT:**

Escrow Holder acknowledges receipt of a Copy of this Agreement, (If checked, ☐ a deposit in the amount of \$ \_\_\_\_\_), counter offer numbers \_\_\_\_\_ ☐ Seller's Statement of Information and \_\_\_\_\_

and agrees to act as Escrow Holder subject to paragraph 20 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is \_\_\_\_\_

Escrow Holder \_\_\_\_\_ Escrow # \_\_\_\_\_

By \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_

Phone/Fax/E-mail \_\_\_\_\_

Escrow Holder has the following license number # \_\_\_\_\_

☐ Department of Business Oversight, ☐ Department of Insurance, ☐ Bureau of Real Estate.

PRESENTATION OF OFFER: (\_\_\_\_\_) Listing Broker presented this offer to Seller on \_\_\_\_\_ (date).  
Broker or Designee Initials

REJECTION OF OFFER: (\_\_\_\_\_) (\_\_\_\_\_) No counter offer is being made. This offer was rejected by Seller on \_\_\_\_\_ (date).  
Seller's Initials

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Buyer Acknowledges that page 10 is part of this Agreement ( 63 ) ( AS )  
Buyer's Initials

Reviewed by  
Broker or Designee



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 10 OF 10)

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**BUYER'S INSPECTION ADVISORY**  
(C.A.R. Form BIA, Revised 11/14)

Property Address: 35985 CARLTON RD., WILDOMAR, CA 92595 ("Property").

**1. IMPORTANCE OF PROPERTY INVESTIGATION:** The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

**2. BROKER OBLIGATIONS:** Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.

**3. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

- A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
- B. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
- C. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
- D. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
- E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
- F. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
- G. EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
- H. FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.
- I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.
- J. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
- K. SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.
- L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyers are encouraged to read it carefully.

Buyer KARINA JIMENEZ

Buyer ANTHONY S. L...

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**BUYER'S INSPECTION ADVISORY (BIA PAGE 1 OF 1)**

WINDERMERE HOMES & ESTATES, 6965 El Camino Real, Suite 107 CARLSBAD, CA 92009 Phone: 760.500-8156 Fax: 760.893-8048 35985 CARLTON  
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TEXT OVERFLOW ADDENDUM No. 1  
(C.A.R. Form TOA, Revised 8/16)

This addendum is given in connection with the property known as 35365 CARLTON RD., WILDOMAR, CA 92695 ("Property").  
In which KARINA JIMENEZ, ANTHONY SILVA is referred to as ("Buyer")  
and \_\_\_\_\_ is referred to as ("Seller").

**1) Other Addenda and Advisories**  
**WHE AFFILIATED BUSINESS DISCLOSURE**

The foregoing terms and conditions are hereby incorporated in and made a part of the paragraph(s) referred to in the document to which this TOA is attached. The undersigned acknowledge receipt of a copy of this TOA.

Buyer KARINA JIMENEZ Date 2/15/2017  
Buyer ANTHONY SILVA Date 2/16/2017  
Seller Charles Datto Date 4/7/17  
Seller TRUSTEE Date \_\_\_\_\_

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



WOODBRIDGE HOMES & ESTATES, 615 E. Center Blvd., Suite 107, CARLETON, CA 92009 Phone: 760.308-4154 Fax: 760.308-3643 35365 CARLTON  
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### ALERT TO WIRING SCAMS AND ANTI-FRAUD CONSUMER ADVISORY

Electronic communications such as email, text messages and social media messaging are neither secure nor confidential unless encrypted.

Criminals/hackers are targeting email accounts of various parties involved in a real estate transaction. This has led to fraudulent wiring instructions being used to divert funds to the criminal's bank account. These emails may look legitimate, and may appear to be from the proper party.

Neither Windermere Homes & Estates, nor its Real Estate Associates or employees, will ever send you any electronic communication with instructions to transfer/wire funds or to provide nonpublic personal information, such as credit or debit card numbers or bank account and/or routing numbers.

**YOU SHOULD NEVER TRANSMIT NONPUBLIC PERSONAL INFORMATION, SUCH AS CREDIT OR DEBIT CARD, OR BANK ACCOUNT, OR ROUTING NUMBERS BY EMAIL OR OTHER UNSECURED ELECTRONIC COMMUNICATION. EMAILS ATTEMPTING TO INDUCE FRAUDULENT WIRE TRANSFERS ARE COMMON AND MAY APPEAR TO COME FROM A TRUSTED SOURCE.**

If you receive any electronic communication directing you to transfer funds or provide nonpublic personal information, even if that electronic communication appears to be from YOUR AGENT OR WINDERMERE HOMES & ESTATES OR YOUR ESCROW OFFICER, DO NOT RESPOND. Immediately contact your Escrow Officer and Real Estate Associate. Such requests, even if they appear legitimate, may well be part of a scheme to defraud you by stealing funds from you or using your identity to commit a crime. Any request for wire information will come from Escrow and/or Title companies only and should be sent using encryption format. You should always personally call your Escrow/Title Company to confirm that any such request is legitimate, i.e., confirm your ABA routing number or SWIFT code and credit account number.

**ACKNOWLEDGEMENT:** I/we have read this Alert to Wiring Scams and Anti-Fraud Advisory and understand that neither Windermere Homes & Estates, nor its Real Estate Associates or employees, will ever send me/us any electronic communication with instructions to transfer/wire funds or provide financial account numbers or other nonpublic personal information. BUYERS INITIALS WJS SELLERS INITIALS CD

There are many online sources which can provide useful information on this topic, including the following:

The Federal Bureau of Investigation @ [www.fbi.gov](http://www.fbi.gov)  
The Internet Crime Complaint Center @ [www.ic3.gov](http://www.ic3.gov)  
The National White Collar Crime Center @ [www.nw3c.org](http://www.nw3c.org)  
On Guard Online @ [www.onguardonline.gov](http://www.onguardonline.gov)

KARINA JIMENEZ	<u>KARINA JIMENEZ</u>	2/15/2017
Buyer Name Printed	Buyer Signature	Dated
Anthony Silva	<u>Anthony Silva</u>	2/16/2017
Buyer Name Printed	Buyer Signature	Dated
<u>Charles Daff, Trustee</u>	<u>CD</u>	2/19/17
Seller Name Printed	Seller Signature	Dated
Seller Name Printed	Seller Signature	Dated

Wiring Scam & Anti-Fraud Advisory 4.20.16 - Windermere Homes & Estates form WSAFA

Exhibit 3

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# **AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE**

PROPERTY ADDRESS 35965 CARLTON RD., WILDOMAR, CA 92595 DATE 2/16/2017

This document provides you notice that San Diego Homes and Estates, Inc., dba Windermere Homes & Estates ("SDHE" "WHE"), has a business relationship with **Davie Management and Real Estate Services, Inc., dba San Diego Residential Property Management, First American Natural Hazard Disclosure, and Windermere Homes & Estates, dba, SD County Escrow, a non-independent Broker Escrow.** Because of these relationships, these referrals may provide SDHE a financial or other benefit. We will not be paid a referral fee as a result of any referral to the providers mentioned.

This disclosure is to inform you of the services provided and the estimated charge or range of charges made by the provider. You are NOT required to use **San Diego Residential Property Management, First American Natural Hazard Disclosure or SD County Escrow, a non-independent Broker Escrow** as a condition for the purchase, sale, lease or refinance of the subject property.

THERE ARE FREQUENTLY OTHER SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES AND THE PRICE RANGE MAY VARY. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

<u>Company and Services</u>	<u>Estimate of Charges Generally Made by Provider</u>
<b>Davie Management and Real Estate Services Inc., dba San Diego Residential Property Management</b> is a residential property management company, licensed by the California Bureau of Real Estate.	Property management fees are estimated at 10% of the monthly rental charges.
<b>First American Natural Hazard Disclosure</b> is a provider of Natural Hazard Disclosure reports, which include mandated NHD requirements on earthquake, fire and flood zones and other various reports and disclosures.	NHD disclosure reports pricing ranges between \$99 and \$199. HUD-1 Line Designation: (1300 Section)
<b>SD County Escrow, a non-independent Broker Escrow</b> , licensed by the California Bureau of Real Estate and provides expert handling of all details in transferring the property in accordance with the real estate contract.	Sale escrow fees: a \$150 to \$300 base for buyer & seller, plus a \$1.50 to \$2.50 per thousand of sale price with a \$750 to \$1,000 minimum. Escrow fees for a loan escrow: range from \$450 to \$1.00 per thousand of loan amount. The borrower typically pays all loan escrow fees. Document preparation and processing fees: range from \$50 to \$175. HUD-1 Line Designation: (1101)

**ACKNOWLEDGMENT:** I/we have read this disclosure form, and understand that Windermere Homes & Estates may refer me/us to purchase the above-described services from **San Diego Residential Property Management, First American Natural Hazard Disclosure and SD County Escrow, a non-independent Broker Escrow**, and may receive a financial or other benefit as the result of this referral.

**Buyers and sellers hereby acknowledge receipt of the foregoing:**

<small>Discussed by</small> <u>WIMM YIMENEZ</u>	<u>2/15/2017</u>	<u>CDIA TRUSTEE</u>	<u>2/19/17</u>
BUYER <small>Discussed by</small> <u>Anthony J. L.</u>	DATE <u>2/16/2017</u>	SELLER	DATE
BUYER <small>Discussed by</small> <u>WIMM YIMENEZ</u>	DATE	SELLER	DATE

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**SHORT SALE ADDENDUM**  
(C.A.R. Form SSA, Revised 4/12)

This is an addendum to the ☒ California Residential Purchase Agreement, ☐ Counter Offer, ☐ Other  
("Agreement"), dated February 15, 2017  
on property known as 35965 CARLTON RD., WILDOMAR, CA 92595  
("Property"), between KARINA JIMENEZ, ANTHONY SILVA  
("Buyer") and Charles Daff, Trustee  
("Seller").

**1. SHORT SALE APPROVAL:**

- A. This Agreement is contingent upon Seller's receipt of and delivery to Buyer of written consent ("Short Sale Lenders' Consent") to the Agreement from all existing secured lenders and lienholders ("Short Sale Lenders"), by 5:00 P.M. no later than 45 (or ☒ 60) Days After Acceptance (or ☐ on \_\_\_\_\_ (date) ("Short Sale Contingency Date"). If Buyer or Seller cancels this Agreement prior to the Short Sale Contingency Date, that party may be in breach of the Agreement unless the cancellation is made pursuant to some other paragraph in this addendum or in the Agreement, whether or not time periods in the Agreement have commenced.
- B. Short Sale Lenders' Consent means that all Short Sale Lenders shall collectively agree to reduce their respective loan balances by an amount sufficient to permit the proceeds from the sale of the Property to pay the existing balances on loans secured by the Property, real property taxes, brokerage commissions, closing costs, and other monetary obligations the Agreement requires Seller to pay at Close Of Escrow (including, but not limited to, escrow charges, title charges, documentary transfer taxes, prorations, retrofit costs, Homeowners Association Fees and Repairs) without requiring Seller to place any funds into escrow or have any continuing obligation to Short Sale Lenders.
- C. (i) Seller shall Deliver to Buyer a copy of Short Sale Lenders' Consent or term sheet(s) within 3 (or ☐ 5) Days After receipt by Seller. (ii) Seller's presentation to Buyer of Short Sale Lender's Consent satisfying 1B removes the contingency in 1A.
- D. If by the Short Sale Contingency Date, (i) Seller has not received Short Sale Lenders' Consent satisfying 1B, Seller may in writing cancel this Agreement, or (ii) Buyer has not received a copy of Short Sale Lenders' Consent satisfying 1B, Buyer may cancel this Agreement in writing. In either case, Buyer shall be entitled to return of any remaining deposit delivered to escrow.
- E. Seller shall reasonably cooperate with existing Short Sale Lenders in the short sale process, but neither Seller nor Buyer is obligated to change the terms of their Agreement to satisfy Short Sale Lenders' consent or term sheet(s).
- F. If Short Sale Lenders' written consent or term sheet(s) provided to Seller require changes to the Agreement in order to satisfy the terms of 1B, (i) neither Buyer nor Seller shall be obligated to continue negotiations to satisfy any of the requirements of the term sheet(s) (ii) either party may in writing cancel this Agreement and (iii) Seller is advised to seek legal, accounting and tax advice before agreeing to any such changes. If the Agreement is cancelled pursuant to this paragraph, Buyer shall be entitled to return of any remaining deposit delivered to escrow.

- 2. TIME PERIODS.** Time periods in the Agreement for inspections, contingencies, covenants, and other obligations: (i) shall begin the Day After Seller delivers to Buyer Short Sale Lenders' Consent satisfying 1B. However, time periods for providing pre-approval/pre-qualification letters and verification of down payment and closing costs shall nonetheless begin as otherwise specified in the Agreement; or (ii) (if checked) ☐ shall begin as specified in the Agreement.

Buyer's Initials ( KJ ) ( AS )

Seller's Initials ( AD ) ( \_\_\_\_\_ )

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SHORT SALE ADDENDUM (SSA PAGE 1 OF 2)

WINDERMERE HOMES & ESTATES, 6965 El Camino Real, Suite 107 CARLSBAD, CA 92009  
Adelaida Chocano

Phone: 760.500-8156

Fax: 760.893-8048

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Property Address: **35965 CARLTON RD., WILDOMAR, CA 92595**

Date: **February 15, 2017**

**3. BUYER'S DEPOSIT CHECK.** Buyer's deposit check shall be delivered to escrow within:

- (i) 3 business Days After Seller delivers to Buyer Short Sale Lenders' Consent satisfying 1B,  
or (ii) (if checked) ☐ as specified in the Agreement.

**4. NO ASSURANCE OF LENDER APPROVAL.** Buyer and Seller understand that Short Sale Lenders: (i) are not obligated to give consent to a short sale; (ii) may require Seller to forward any other offer received; and (iii) may give consent to other offers. Additionally, Short Sale Lenders may require that, in order to obtain their approval for a short sale, some terms of the Agreement, such as the Close of Escrow, be amended or that Seller sign a personal note or some other obligation for all or a portion of the amount of the secured debt reduction. Buyer and Seller do not have to agree to any of Short Sale Lenders' proposed terms. Buyer, Seller and Brokers do not have control over whether Short Sale Lenders will consent to a short sale, or control over any act, omission, or decision by any Short Sale Lender in the short sale process.

**5. BUYER AND SELLER COSTS.** Buyer and Seller acknowledge that each of them may incur costs in connection with rights or obligations under the Agreement. These costs may include, but are not limited to, payments for loan applications, inspections, appraisals, and other reports. Such costs will be the sole responsibility of the party incurring them if Short Sale Lenders do not consent to the transaction or either party cancels the transaction pursuant to the Agreement.

**6. OTHER OFFERS.** Unless otherwise agreed in writing, after Buyer's offer has been accepted by Seller, (i) Seller has the right to continue to market the Property for back-up offers; (ii) Seller has the right to accept back-up offers (C.A.R. Form PAA, Paragraph 1), and subject to Short Sale Lender(s) requirements present to Short Sale Lender(s) any accepted back-up offers that are received; and (iii) Seller shall notify buyer when any accepted back-up offers, are presented to Short Sale Lender(s).

**7. CREDIT, LEGAL AND TAX ADVICE.** Seller is informed that a short sale may have credit or legal consequences and may result in taxable income to Seller. Seller is advised to seek advice from an attorney, certified public accountant or other expert regarding such potential consequences of a short sale.

By signing below, Buyer and Seller each acknowledge that they have read, understand, accept and have received a copy of this Short Sale Addendum.

Date **February 15, 2017**

Date **2/19/17**

Buyer

DocuSigned by:  
**KARINA JIMENEZ**  
**KARINA JIMENEZ**

Seller

**QDJA TRUSTEE**

Buyer

DocuSigned by:  
**Anthony Silva**  
**ANTHONY SILVA**

Seller

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**SHORT SALE INFORMATION AND ADVISORY**  
(C.A.R. Form SSIA, Revised 11/12)

Property Address: 35965 CARLTON RD., WILDOMAR, CA 92595

Date: February 15, 2017

This Short Sale Information and Advisory is intended to give general information regarding short sales, their potential impact, and the rights and responsibilities of the parties involved. It is not intended as legal advice for any particular property owner or buyer. Seller and Buyer should consult with their own professional advisors for legal, tax, credit and personal advice. Real estate brokers cannot and will not provide such advice.

1. **WHAT IS A SHORT SALE:** A short sale is the name used to describe a real estate transaction where the seller's lender(s) agree to allow the property owner to sell the property for less than the amount of the loan(s) secured by the property. The consent of a seller's lender(s) is necessary because without it there would not be enough money from the sale to pay off the lender(s) in full and to pay other costs of the sale. As a result, the lender's lien(s) would remain on title, and a seller would be unable to transfer title to a buyer free of monetary liens. (Properties that are worth less than the amount owed to the secured lender(s) are often referred to as being "underwater" or distressed properties).
2. **ALTERNATIVES TO A SHORT SALE:** Owners of distressed or underwater properties are faced with difficult choices that could have financial and emotional consequences. Any of the following or other alternatives potentially have negative tax or credit consequences, or both, for the owner:
  - A. A **loan modification** is an arrangement between a borrower and a lender. It can involve a reduction in the interest rate on the loan, a deferment in payments on the loan, an extension of time to pay back the loan, a reduction in principal of the loan, a combination of these possibilities, or other changes to the repayment plan. A loan modification requires the consent of both lender and borrower.
  - B. A **foreclosure** is a legal process through which the lender acquires title to the property from a borrower who has stopped making payments on a loan. The lender can foreclose whether or not the borrower consents.
  - C. A **deed in lieu of foreclosure** occurs when the borrower offers to transfer the property to the lender, in lieu of the lender having to go through the foreclosure process, and the lender agrees to accept title to the property from the borrower and forgives the debt. A deed in lieu of foreclosure requires the consent of both lender and borrower.
  - D. **Bankruptcy** is a legal action typically filed by a borrower to have debt(s) discharged. An automatic stay occurs as soon as a borrower files bankruptcy, staying all actions against the borrower. While a petition for bankruptcy can have the effect of delaying a foreclosure, it does not necessarily prevent a foreclosure from eventually occurring. No lender consent is required for a borrower to file bankruptcy.
3. **LENDER AGREEMENT TO SHORT SALE:** In order for a short sale to be completed, the lender(s), at a minimum, must agree to release the property from the lender(s) lien(s) to allow the sale. The lender(s) may or may not agree to reduce the amount owed to satisfy the debt. If not, the lender(s) may continue to pursue the borrower for payment of the balance of the debt. Prior to granting approval of the sale, the lender(s) may require the borrower to disclose all of the borrower's assets. They may require that the borrower liquidate other assets. They may require that the borrower sign an agreement to repay some or all of the debt at some later time. They may require that the borrower secure the unpaid debt with other assets owned by the borrower. Additionally, they will generally require that the transaction be arm's length, and that all terms of any benefit conferred on the seller be fully disclosed and that a seller cannot stay in the property following the sale. Finally, many first lien holders will limit the amount they will allow to be paid to a second lienholder, further complicating negotiations for the short sale. The lender will usually submit a "term sheet" to the borrower indicating the terms to which lender(s) will agree. If a seller and a buyer do not modify their contract to comply with the lender(s) terms, the lender(s) may not permit the short sale to proceed. Seller's are strongly advised to seek legal and tax advice regarding review of the term sheet. Brokers cannot and will not give legal or tax advice on the lender's term sheet or its effect on the Buyer and Seller's agreement or on the consequences to sellers and buyers should they proceed to close. There is no assurance that once the lender(s) have begun short sale negotiations, they will discontinue the foreclosure process.
4. **SELLER'S CONTINUING LIABILITY ON THE DEBT:** Many borrowers who attempt a short sale are concerned about whether the borrower is released from any further liability to the lender(s) or whether the lender can pursue the borrower for any unpaid balance of the debt. Some refer to continuing liability as a deficiency judgement. Generally speaking, a deficiency judgement is the right of a lender to pursue the borrower for the difference between the amount the lender receives and the amount the borrower owes on the debt. Deficiency judgements in California are prohibited in certain circumstances.

Buyer's Initials ( BJ ) ( LS )

Seller's Initials ( CS ) (        )

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SHORT SALE INFORMATION AND ADVISORY (SSIA PAGE 1 OF 4)

WINDERMERE HOMES & ESTATES, 6965 El Camino Real, Suite 107 CARLSBAD, CA 92009  
Adelaide Chocano

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Date: February 15, 2017

**A. Short Sale:**

1. Beginning July 15, 2011, Code of Civil Procedure 580e provides that any lender who approves a short sale in writing is not permitted to seek or collect a deficiency against the borrower if the loan is secured by a Trust Deed on residential property containing 1-4 units. This law may not be waived. The July 15, 2011 law does not apply to: (i) lienholders on other types of property; or (ii) a borrower who has committed fraud or waste; or (iii) borrowers who are corporations, limited liability companies, or limited partnerships. Prior to this law coming into effect, from January 1, 2011 the restriction on lenders seeking deficiencies for approved short sales only applied to lenders holding a first trust deed on residential 1-4 units.
2. For properties or borrowers to which CCP 580e does not apply, some lenders in negotiating a short sale will want the owner to sign a note for the balance of the unpaid principal. Other lenders will release the lien only, but not forgive the underlying debt. Some lenders will "reserve their rights." Thus, in these situations whether or not a lender retains the right to pursue a deficiency following a short sale becomes a negotiable term for each sale.
3. Seller is encouraged to (i) obtain a written agreement from lender(s) or other applicable lien holders addressing whether and to what extent Seller will be released from any monetary or other claim, obligation, or liability upon approval of the short sale, and (ii) have that written agreement reviewed by an attorney, CPA or other appropriate professional of seller's choosing.

**B. Foreclosure**

1. **Purchase Money Loans:** Loans given by lenders to purchase 1-4 unit properties, one of which will be occupied by the borrower, and seller-financed purchases are subject to "purchase money" anti-deficiency protection rules. Generally, this means that the lender cannot pursue the borrower for any deficiency after the property is foreclosed upon by the seller or lender, whether the seller or lender uses a non-judicial trustee sale or a judicial foreclosure. Refinancing a purchase money loan causes it to lose any purchase money protection it might have.
  2. **Trustee Sales:** If a lender forecloses by non-judicial trustee sale instead of by judicial foreclosure, that lender is barred from seeking any deficiency from the borrower after the trustee sale, even if the loan was not purchase money.
  3. **Refinanced Liens:** The anti-deficiency protections become much less clear for loans that are refinanced. Generally, loans that are refinanced lose their "purchase money" protection. Lenders extending refinances may be able to pursue a deficiency judgment against the borrower directly following a judicial foreclosure. However, beginning January 1, 2013 Borrowers who refinance a purchase money loan on owner-occupied residential property with 1-4 units, and do not take any cash out from the refinance receive the same anti-deficiency protection as if the refinance loan was a purchase money loan.
  4. **Junior Liens:** The anti-deficiency protections for Junior Lien holders are also somewhat unclear. Junior debt used to purchase the residence (such as 90/10 first and second) would have "purchase money" protection generally. However, junior liens that are refinanced or junior liens that are used to take out equity do not have "purchase money" protection. Such "non purchase money" junior lienholders may be able to pursue a deficiency judgement against the borrower directly after a Trustee's sale by a senior lienholder or after a judicial foreclosure by the junior lienholder. Although the law is not entirely clear, home equity loans (HELOCs) may fall into this category.
  5. **Other Liens:** Many other types of liens may be recorded on titles including, without limitation, homeowners association liens, judgement liens, tax liens, and child support liens. Generally foreclosures by any lienholders senior to such liens do not protect the owner of the property from later legal action by the lienholder to collect on the obligation.
- 6. CREDIT AND TAX CONSEQUENCES:**
- A. **CREDIT:** All of the owner's options discussed above will most likely have a negative impact on the owner's credit and on the owner's ability to finance or purchase property for some time. The credit impact and length of time the owner would have difficulty in obtaining a loan to purchase property again, or to be approved for any other credit transactions such as obtaining a credit card, leasing an apartment, or even to gain employment, varies. Lenders may view short sales and alternatives differently depending on their own underwriting guidelines and those established by governmental or quasi-governmental bodies. To find out more information about the impact to your credit score, go to [www.myfico.com](http://www.myfico.com).
  - B. **TAX:** With some exceptions, a reduction or discharge of a debt obligation by a lender results in income to the borrower. The income might not be taxable if the debt was being used to acquire, construct or substantially improve a borrower's principal residence. Another exception exists if the forgiveness of debt results from a situation where the lender is barred by law from collecting the debt, as in a foreclosure of purchase money debt. Insolvency and bankruptcy rules can also shield a borrower from forgiveness of debt income. Generally, when any debt is forgiven by a lender, they are required to provide the borrower a 1099 and it will be up to the borrower to make the proper claim on their tax return to avoid debt forgiveness income. Some of these rules are temporary, and state laws and federal laws differ. Broker has advised Seller that if Lender agrees to accept less than full payment, the difference may result in taxable income to Seller even though Seller does not receive any cash proceeds from the sale. Seller may also be taxed on the gain in value of the Property from the date of Seller's purchase to the date of sale, regardless of the amount of any existing loans/liens.
  - C. **PROFESSIONAL ADVICE:** Seller is advised to discuss with an attorney, CPA or other professional of Seller's choosing before (i) accepting any offer to present to lender or (ii) agreeing to any changes requested by lender to an already accepted contract.

Buyer's Initials ( KS ) ( AS )

Seller's Initials ( CS ) (      )

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Date: February 15, 2017

6. **POTENTIAL IMPROPRIETIES:** It is an unfortunate reality that many persons, including real estate licensees, mortgage lenders, and attorneys, among others, have taken advantage of owners of underwater or distressed properties. Some of the schemes present themselves as "rescues" of the homeowner, promising to let them stay in the property, to protect their credit, or to provide payments to them after closing, and usually outside of the escrow. Both the California Department of Real Estate (BRE) (<http://www.bre.ca.gov/>) and the California Attorney General (<http://www.ag.ca.gov/>) have issued written warnings of potential red flags in short sales and other rescue schemes. Some of these red flags are:
- A. **No license:** The BRE believes that a real estate license is generally required to negotiate any short sale;
  - B. **MARS:** Short sale negotiators who do not represent a seller or buyer in a short sale are generally required to comply with the Mortgage Assistance Relief Services rules and provide required disclosures and notices to a seller.
  - C. **Up-front fees:** No real estate licensee can collect any up-front or advance fee without having first obtained a "no objection" letter from the BRE and no up-front fees may be taken for arranging a loan modification;
  - D. **Surcharges:** Charges by third parties that are not disclosed to the short sale lender and usually paid outside of escrow;
  - E. **3rd Party negotiations:** The licensing and fee requirements above apply whether the negotiation occurs through a Broker, representing a seller or a buyer in the transaction, or a 3rd party short sale negotiator. As with other real estate activity, short sale negotiator fees are negotiable and not set by law. The existence, fee and licensed status of any 3rd party short sale negotiator shall be disclosed to the lender and must be approved by the lender as part of the overall compensation to be paid in the short sale transaction.
  - F. **Straw buyers and house flipping:** Buyers misrepresent the value of the property to the short sale lender and flip the property to another buyer already in place;
  - G. **Other:** Other potential red flags include: guarantees to stop the foreclosure; instructions not to contact the lender; transfer of title prior to close (often to a trust) as a condition of negotiating with the lender; the buyer is an LLC; the buyer wants a power of attorney from the seller; and the buyer hires the third party negotiator or wants to negotiate directly with the lender.
- While most of the activities on the above list on their face are not fraudulent, they serve as warning signs that the owner and the real estate agents involved should proceed with caution.
7. **BUYER CONSIDERATIONS:** Short sales are often difficult transactions taking considerably longer than a typical real estate transaction to complete. There is no guarantee that the lender or lenders will agree to the terms of the purchase offer or that they will respond in any timely fashion or even respond at all. There is no guarantee that a seller or a buyer will agree to any terms proposed by the lender as a condition of releasing the lien or the debt on the property. Buyers may expend money on inspections, loan applications, escrow fees and other costs that they will not be able to recover from anyone if the lender does not approve the transaction. Buyers may also have difficulty obtaining the return of their deposit in escrow, if a seller becomes noncommunicative during the short sale process. Generally, sellers also have the right to continue to give offers to their lender(s) even if they have a contract with an existing buyer. Brokers cannot give any assurances as to what will happen. Buyers are strongly cautioned that any undisclosed and unapproved payments to junior lienholders or to seller or to outside third party negotiators may be a form of lender fraud. Buyers are also strongly cautioned that writing offers on more than one short sale property with the intent to purchase only one such property could be a misrepresentation giving rise to legal claims by a seller including a claim for the buyer's deposit.
8. **NATIONAL MORTGAGE SETTLEMENT (SETTLEMENT) AND CALIFORNIA HOMEOWNER BILL OF RIGHTS:** In early 2012 California joined a national settlement agreement between five of the nation's largest lenders (Bank of America, JPMorgan Chase, Wells Fargo, Citigroup and All Financial) and most states ("the Settlement"). The Settlement obligates the lenders to, among other things, write down or refinance some loans, extinguish certain unpaid balances and provide transition assistance to some homeowners. Loans owned by Fannie Mae or Freddie Mac are not covered by the Settlement. In Fall of 2012, California enacted laws, effective January 1, 2013, commonly and collectively referred to as the California Homeowner Bill of Rights ("Homeowners BOR"). These laws prohibit foreclosures while an approved short sale is pending or while a loan modification is in process or on appeal, as well as other requirements. Whether a borrower qualifies for any of the advantages of the Settlement or the Homeowner BOR requires an analysis of the borrower's loan and its applicability to either of those items. Such an analysis is beyond the scope of Brokers expertise. If a buyer or seller has questions about whether the borrower's loan is covered by either the Settlement or the Homeowner BOR, or how either of those items can affect a short sale transaction, that party should discuss the matter with a lawyer or accountant of their own choosing.
9. **BROKER ROLE:** A real estate broker cannot give legal or tax advice in connection with any of the options available to the borrower nor can the broker suggest what is the best course of action for the owner. Unfortunately, the owner is faced with extremely difficult choices having a lasting impact on the owner. Owners are strongly cautioned that they must seek legal and tax advice in what is not only a choice impacting taxes and credit, but also personal issues affecting the owner and often the owner's family. The broker's role is to assist the owner with the actual sale of the property in a short sale transaction, not to provide legal or tax advice or to guarantee the best possible outcome for the parties, or to assure a buyer that any particular transaction will be completed. Brokers do not, and cannot, assure that either a seller or a buyer will perform on their agreement or that the lender(s) will agree to any of the terms presented. Brokers are not a party to the contract between Buyer and Seller.

Buyer's Initials ( LS ) ( AS )

Seller's Initials ( LS ) ( AS )

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



SHORT SALE INFORMATION AND ADVISORY (SSIA PAGE 3 OF 4)

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35965 CARLTON

Exhibit 3

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Property Address: 35965 CARLTON RD., WILDOMAR, CA 92595 Date: February 15, 2017

10. **BROKER AUTHORITY:** Seller authorizes Broker to: (1) market the Property for sale, (2) contact lenders concerning lender's of a short sale (C.A.R. Form ARC) and Seller agrees to give Broker any necessary information to negotiate with lenders, and (3) advertise in the MLS and other advertising medium that the property transfer, sales price and payment of commissions are subject to lenders approval. If lenders will not cooperate, Broker may cancel the listing agreement.

☐ Seller ☒ Buyer KARINA JIMENEZ DocuSigned by: KARINA JIMENEZ Date 02/15/2017

☐ Seller ☒ Buyer ANTHONY SILVA DocuSigned by: ANTHONY SILVA Date 02/15/2017

☒ Seller ☐ Buyer Trustee Date 2/19/17

☒ Seller ☐ Buyer \_\_\_\_\_ Date \_\_\_\_\_

Real Estate Broker (Selling Firm) WINDERMERE HOMES & ESTATES BRE Lic # 01935781

By (Agent) ADELAIDA CHOCANO B96C16F6B8D483 ADELAIDA CHOCANO BRE Lic # 01319338 Date 02/15/2017

Address 6965 EL CAMINO REAL, SUITE 107 DocuSigned By: ADELAIDA CHOCANO City CARLSBAD State CA Zip 92009

Telephone \_\_\_\_\_ Fax (760)230-3148 Email staradela@yahoo.com

Real Estate Broker (Listing Firm) HYATT RELOCATION CORP. BRE Lic # \_\_\_\_\_

By (Agent) Debbie Pribe DEBBIE PRIEBE BRE Lic # 01738826 Date 2-17-17

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_

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SHORT SALE INFORMATION AND ADVISORY (SSIA PAGE 4 OF 4)

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35965 CARLTON

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



Exhibit 3

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## COVER PAGE

TRUSTEE/SELLER: Charles Arthur / Charles Datt

ESTATE (DEBTOR/CASE NUMBER): Arthur / 16-19150

PROPERTY: 35965 CARLTON RD., WILDOMAR, CA 92595

PURCHASE PRICE: 350,000

TRUSTEE'S FEE: \$21,750

## Exhibit 3



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## US BANKRUPTCY COURT OFFER PACKET CHECKLIST

This checklist and packet include all necessary documentation when making an offer on a US Bankruptcy Court Short Sale Property

1. ☐ **Residential Real Estate Purchase Agreement / Purchase Contract**
  - a) DO NOT fill in any portion of the Seller's name; we will fill it in accordingly
  - b) Please review carefully all questions can be answered in the attached documents.
  - c) Financing contingency is included within the Agreement Re Conditions of Sale in Bankruptcy.
  - d) Inspection contingency is included within the Agreement Re Conditions of Sale in Bankruptcy.
  - e) Escrow and Title is directed within the Agreement Re Conditions of Sale in Bankruptcy.
  - f) Earnest money is explained in the Agreement Re Conditions of Sale in Bankruptcy.
2. ☐ **Contact Info Form: Must complete form attached**
3. ☐ **Buyer Pre approval letter, Proof of funds for down payment, Trustee's Fee and all cash transactions. (This is non-negotiable)**
4. ☐ **Offer Checklist**
5. ☐ **Any other RPA forms**
6. ☐ **Hold Harmless Agreement**

### **Please note the following:**

1. **Contingent offers:** no offers contingent on the sale of another property or the closing of a pending offer are accepted.
2. **Offer Submissions & Seller Response:** Please upload the full package to TAZA Homes via MLS link
3. **Closing date:** Closing date is the later of 30 days after lender approval or 14 days after Bankruptcy Court approval.
4. **Initial vs. Mutual Acceptance:** Initial acceptance is acceptance by the trustee's signature on the Affirmation of Agreement. Mutual Acceptance is upon court approval. All timeline for inspections begin with initial acceptance.
5. **All offers must be complete when submitted or they will be returned and will need to be resubmitted once complete. All offers must be "wet" signed, as electronic signatures are not acceptable.**
6. **BK Trustee Release Fee:** This fee is Non-negotiable and will need to be paid IN CASH at closing and cannot be rolled into the new loan. This fee is paid by the buyer on top of the purchase price. Do not include this fee in your offer price.
7. **Seller paid closing cost:** Due to the nature of this sale being sold by the Bankruptcy Court Trustee, the Seller will not pay any closing cost for the Buyer, except such portion of the Buyers cost that the Buyer is prohibited from paying pursuant to applicable FHA/VA regulations. If the property is FHA/VA and a Short Sale the unallowable closing costs would be paid by the bank.

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### INFORMATION ON SALE OF REAL PROPERTY IN BANKRUPTCY

Individual (s) who reside, have a place of business or own property in the United States may file for bankruptcy in a federal court under Chapter 7. In a Chapter 7 Bankruptcy, the individual is allowed to keep certain exempt property. Most liens, however, survive. Other assets are sold by the bankruptcy court trustee to repay creditors. Bankruptcy sales are conducted by a United States Bankruptcy Court trustee for properties that have been owned by debtors who are in Chapter 7 Bankruptcy.

When a property receives an offer that is deemed reasonable by the trustee a court hearing is set with notice to the creditors and a date is set for the hearing, generally, six weeks or so from the initial signing of the offer by the trustee. The initial signing, however, does not constitute mutual acceptance. Mutual acceptance is achieved only after the sale has been approved by a United States Bankruptcy Court judge. The status of the property is changed to Pending Back-up. After court approval the status changes to Pending and the sale can close after 14 days.

Many of these properties originally have equity, but by the time an offer is received the unpaid mortgage with fees and interest combined with lowering property values may make it a short sale. The judge may order that the underling lien holder approve the sale.

Title is with TBD unless otherwise directed by the trustee. The potential buyer can perform an inspection within the time limit of the purchase and sale agreement. If the potential buyer finds the inspection to their satisfaction they may waive the inspection contingency by use of MLS. Other potential buyers may have an inspection of that property; however, if the buyer in 1st position waives their inspection an inspection cannot be a contingency of the potential sale. The same is true for a financing contingency. If any buyer waives the financing contingency any other buyer may obtain financing, but may not have a financing contingency. Timelines for inspection and financing contingencies begin after initial signing. Overbids will take place before or at the hearing on the sale motion in Bankruptcy Court. The overbid terms are in the Agreement Re Conditions of Sale in Bankruptcy and will also be in the Sale Motion.

It is very important that all potential buyers review this information, including the United States Bankruptcy Court purchase and sale agreement, to their satisfaction, prior to making an offer. The statutory trustee release fee is non-negotiable. All potential buyers are encouraged to seek legal advice if they deem it necessary. This page is an explanation of the process of selling property in Chapter 7 Bankruptcy.

DocuSigned by:  
KARLA JIMENEZ 2/15/2017  
Buyer F5C4042EF758460... Date

DocuSigned by:  
Anthony Silva 2/15/2017  
Buyer F5C4042EF758460... Date

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**RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS**

Insert the RPA Form in place of this page



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### AGREEMENT RE CONDITIONS OF SALE IN BANKRUPTCY

This Agreement Re Conditions of Sale in Bankruptcy (the "ACSB") is made and entered into as of Feb. 15, 2017 buy and between Karina Jimenez ("Buyer") and Charles Daff, solely in her capacity as Chapter 7 Trustee in the Bankruptcy Estate of in re 35965 CARLTON RD. WILDOMAR 92595, Bankruptcy Case No. 16-19150 ("Seller"). Concurrently herewith the parties are entering into the following agreements (1) Residential Purchase Agreement and Joint Escrow Instructions, (2) Addendum No. 1, (3) this ACSB and (4) Trustee Addendum to Agreement Re Conditions of Sale in Bankruptcy (collectively constituting the agreement of the parties and collectively referred to as the "Agreement").

- 1. Bankruptcy Court Approval.** The sale is expressly conditioned on approval of the United States Bankruptcy Court for the Central District of California and entry of final order approving this Agreement and related purchase agreements. No representation has been made that such approval will be obtained.
- 2. Jurisdiction of the Bankruptcy Court.** Any and all disputes which involve in any manner the Estate or Charles Daff Trustee, arising from the Agreement and any subsequent amendments or modifications thereof or relating in any manner to the Property, shall be resolved only in the United States Bankruptcy Court, Central District of California.
- 3. Limitations of Sale.** The parties acknowledge that the operation of the law has placed the Trustee in a unique role as the Seller of the Property. Due to the nature of the Trustee's role in administering the Estate, there are limitations as to the extent, type and character of the terms under which the Trustee can convey the Property. The Trustee proposes to sell Property to certain limitations. The Buyer acknowledges that he/ her /they understand the terms under which the Property is to be conveyed may vary substantially from the normal customs and trade within the real estate industry. Except where expressly mandated by operation of law to the contrary, the Buyer consents to any such modifications and amendments.
- 4. Trustee's Liability.** The Buyer acknowledges that the Trustee is acting in her official capacity only. No personal liability shall be sought or enforced against the Trustee with regard to the Agreement, including the Agreement, the assets, the sale of the Property, or the physical condition of the Property. In the event that the Trustee fails or refuses to complete the transaction for any reason, then the limit of the Trustee's liability is only to return any money paid to the Trustee by the Buyer, without deduction and no sale commission, finder's fee or similar payment shall be due to any real estate broker involved in the contemplated transaction. Prior to and after the closing of escrow, the United States Bankruptcy Court shall have and retain the sole and exclusive jurisdiction over the Property and the Agreement; and all disputes arising before and after closing shall be resolved in said Court. Further, the parties have agreed that if a dispute arises, such dispute may initially be resolved through the Mediation Program pending in the United States Bankruptcy Court for the Central District of California.
- 5. Hold Harmless:** (a) The Buyer understands the terms and conditions of the entire purchase contract and holds the Estate and the realtors, brokers, agents, Charles Daff Trustee and her attorneys, agents and employees, harmless from any liabilities arising from this Agreement. (b) All parties hereto further agree, jointly and severally, to pay on demand as well as to indemnify and hold Escrow harmless from and against all costs, damages, judgments, attorneys' fees, expenses, obligations and liabilities of any kind or nature which in good faith, Escrow may incur or sustain in connection with or arising out of this Escrow and Escrow is hereby given a lien upon all the rights, titles and interest of each of the undersigned in all escrow papers and other property and monies deposited in this

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escrow, to protect the rights of escrow and to indemnify and reimburse Escrow under this Agreement. In the event this Escrow is not completed through fault or default of Buyer, Escrow is authorized to deduct and pay its fee, plus costs incurred from any funds on deposit.

6. **Seller Conditions.** This Agreement is subject to approval by the Bankruptcy Court. The trustee does not always have access to a title report or information with respect to the tax consequences of a sale when a purchase offer is made and accepted. Accordingly, the Agreement is conditioned on: (1) The trustee obtaining an opinion from an accountant that the proposed sale will not result in adverse tax consequences, and (2) if the trustee in his or her sole discretion deems it appropriate, the court authorizing an award to the estate of reasonable fees and expenses pursuant to 11 U.S.C Section 506 (c) if there are liens against the Property.
7. **No representations or Warranties; "As-is", "Where-is" Condition.** The Seller, as a bankruptcy trustee, has no actual personal knowledge of the Property's conditions. The Buyer acknowledges he/she is purchasing the Property "as-is," "where-is," without warranties of any kind, expressed or implied, being given by the Seller, concerning the condition of the Property or the quality of the title thereto, or any other matters relating to the Property. Seller and Brokers and agents herein have not made, do not make, and specifically negate and disclaim any representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, concerning or respecting (i) value of the Property including the dimension, size or acreage of the premises; (ii) income to be derived from the Property; (iii) suitability of the Property, or lack thereof for any activity or use which Buyer may intend to conduct thereon, including any possibilities or limitations for future development; (iv) habitability, merchantability, marketability, profitability, or fitness for a particular purpose, of the Property, or lack thereof; (v) manner, quality, state of repair, or lack of repair of the Property; (vi) nature, quality, or condition of the Property, or any portion, system, or component thereof, including without limitation, water, soil, and geology; (vii) compliance of the Property or its operation, or lack thereof, with any laws, ordinances, regulations, rules, or orders of any applicable governmental authority or body; (viii) manner or quality of engineering, design, construction or materials, if any, incorporated into the Property; (ix) compliance or lack of compliance with any land use, building and safety, or other laws, ordinances, regulations, rules, orders, or other requirements imposed or enforced by any governmental or non-governmental body, including without limitation the Americans with Disabilities Act of 1990; (x) the presence or absence at, on, under, or adjacent to the Property, of materials described as "hazardous substances, hazardous materials, or toxic substances" or by similar terms under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S. Code §§9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S. Code §§1801, et seq.), the Resource Conservation and Recovery Act (42 U.S. Code §§6901, et seq.), the Toxic Substance Control Act (15 U.S. Code §2601, et seq.), the Clean Water Act (33 U.S. Code §1251, et seq.), California Health and Safety Code §25117 or 25316), or other statutes and laws, all as amended and including all regulations issued thereunder; (xi) the content, completeness or accuracy of any Due Diligence materials or Preliminary Report regarding Title to the Property; (xii) the conformity or lack of conformity of the improvements to any plans or specifications for the Property, including any plans and specifications that may have been or may be provided to Buyer; (xiii) the conformity or lack of conformity of the Property to past, current, or future applicable zoning or building requirements; (xiv) any deficiency of any undershoring, drainage, or other aspects, systems, or components of or affecting the Property; (xv) the fact, if applicable, that all or a portion of the Property may be located on or near any natural hazard zone as determined by any governmental agency or body; (xvi) the existence of vested land use, zoning, or building entitlements affecting the Property or any other property; or (xvii) any other matter. Without in any manner limiting the foregoing, Buyer

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hereby acknowledges and agrees that (i) Seller's Broker, has provided (and will hereafter provide) to Buyer various materials and information relating to the Property, including, without limitation, information and materials relating to the condition of the Property, and (ii) all such materials and information so provided to Buyer by Seller's Broker shall, for all purposes of this Agreement, be deemed to have been disclosed to Buyer by the Seller, as well.

8. **Personal Property Matters:** The Seller is unable to remove any debris or personal property left on the Property and does not warrant that there will be any appliances left on the Property.
9. **Buyer Relying Solely on Investigation:** The Buyer represents and warrants that he is purchasing the Property as a result of his own investigations and is not buying the Property pursuant to any representation made by any broker, agent, accountant, attorney or employee acting at the direction, or on the behalf of the Seller.
10. **Buyer Contingency and Removal:** The Buyer shall have 10 calendar days from acceptance to release all Buyer contingencies. Buyer shall, if VA financing is not available, accept available conforming/conventional financing terms including increasing their down payment accordingly. Upon release of all Buyer's contingencies, the Buyer acknowledges that the Buyer has inspected the Property, and upon closing of Escrow governed by this Agreement, the Buyer forever waives, for himself, his heirs, successors and assigns, all claims against the Debtor, his/her attorneys, agents and employees, the Estate of Charles DeF as Trustee and individually, and her attorneys, agents and employees, arising or which might otherwise arise in the future concerning the Property.

Buyer's deposit to be released to the Trustee after the initial inspection period is completed, once the contingencies are removed.

11. **Inspections.** The Buyer has ten (10) days from the date of the Trustee as Seller signs the documents constitute this Agreement ("Initial Signing") to inspect the premises. Unless the Buyer provides Seller with written notice within ten (10) days that the Property is not acceptable; then the inspection requirement shall be deemed to be waived on the close of business ten (10) days from Initial Signing. Notwithstanding the foregoing, if the financing institution requires an additional inspection, Seller agrees to permit such inspection. Whether or not the sale is closed the Buyer will pay all costs and fees associated with such inspections and Seller shall have no liability therefore. Buyer will return the Property to its original condition after said inspection or test. It is the responsibility of the Buyer and/or the selling agent to verify and contact the utility companies in order to turn on the utilities for inspection. Buyer is responsible for hiring and paying for septic inspector and to acquire and pay for any and all certificates in the event that septic inspections are required. The Buyer will hold the Seller, brokers and attorneys harmless from all claims arising out of Buyer(s) inspection or testing of the Property.
12. **Hazardous Waste.** The Seller, as a bankruptcy trustee, has no actual personal knowledge of the presence of any hazardous waste on the Property, including, but not limited to, petroleum products, urea-formaldehyde, lead paint, mold, asbestos, drug manufacturing, etc., et al., and has no actual personal knowledge of the violation of any law, environmental law, regulation or ordinance with respect to the Property. Buyer understands and agrees that any knowledge about the condition of the Property of other parties including the trustees' real estate broker, debtor, the debtors' employees and agents, or any other persons or entities shall not be imputed to the trustee or the estate. Buyer hereby assumes all risk and costs related to the presence of hazardous waste and the environmental condition of the Property. Buyer hereby waives any and all rights of contribution, indemnity and/or reimbursement

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with respect to any and all defects, including but not limited to, hazardous waste, abatement and environmental condition.

13. **Down Payment/Loan Application.** Buyer agrees to pay \$ \$3,500 down and to make an application, in good faith, within seven (7) days after Initial Signing of this Agreement, for a market rate loan to pay the balance of the purchase price. Buyers are required to obtain and submit with this offer a prequalification letter with KARLA PATINO/WELLSFARGO. If application is not made within seven (7) days of Initial Signing, Seller may retain the earnest money and this Agreement shall terminate.
14. **Financing Deadline/Seller Termination Notice.** If Buyer has not within 30 days after Initial Signing of this Agreement either (i) provided a Loan Commitment letter or (ii) waived the financing condition, then this Agreement shall terminate upon the expiration of the 30th day after Initial Signing and the Seller may retain the earnest money. The loan commitment may be subject to final appraisal review, which must be ordered within 3 days of receipt of underlying lien holder approval.
15. **Buyer's Funds to Close.** Buyer represents that the Buyer has sufficient funds to close this sale in accordance with this Agreement, and is not relying on any contingent source of funds or gifts unless expressly set forth elsewhere in this Agreement. Buyer agrees to provide proof of funds for down payment, closing cost and trustee's fee along with pre-qualification letter with this offer. Buyers are required to obtain a prequalification letter with \_\_\_\_\_.
16. **Loan Costs.** Seller will not be responsible for, or credit any loan costs except such portion of the Buyers cost that the Buyer is prohibited from paying pursuant to applicable FHA regulations.
17. **Escrow Holder and Closing.** The escrow holder shall be Seller's choice. Escrow is scheduled to close the later of 30 days after lender approval or 14 days after the Bankruptcy Court's approval of the sale. The Trustee may extend this time under her sole discretion.
18. **No Assignment.** The Agreement is between the Buyer and the Trustee. The Buyer shall have no right to assign the Escrow, the Agreement, or transfer the Property concurrent with closing without consent of the Seller. Real estate brokers join in the Agreement to bind themselves to provisions applicable to real estate brokers.
19. **Closing Costs and Pro-ration.** Buyer shall pay or cause to be paid the Escrow fee. In the event that the Buyer's lender will only pay for or advance as part of the loan a portion of the Seller's escrow fee, it will be the responsibility of the Buyer to pay for any shortages. Property taxes for the current year shall be pro-rated. Buyer shall pay for any remaining fuel or oil in the propane/oil tank, if applicable. Buyer shall be liable for any outstanding pre-closing utility bills, delinquent HOA dues, Sub-escrow fees and escrow shortages of any kind, if any.
20. **Other Costs.** The Buyer shall be responsible for County and City transfer taxes or transfer fees. The Buyer will obtain a Natural Hazards Disclosure Report from Property ID of California. Buyer understands that the Seller is, however, exempt from signing the Natural Hazards Disclosure Report.
21. **Closing.** "Closing" means the date on which all documents are recorded and the sales proceeds are available to the



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Seller. Seller does not agree to clean the interiors or exteriors of any structures. The sale is "as is, where is" as stated above.

22. **Earnest Money Forfeiture.** In the event the Buyer fails, without legal excuse, to complete the purchase of the Property, the earnest money deposit made by the Buyer shall be forfeited to the Seller as the sole and exclusive remedy available to the Seller for such failure. If the earnest money deposit is greater than five (5) percent of the purchase price, only that portion of the earnest money deposit equal to five (5) percent of the purchase price shall be forfeited to the Seller. By their initials below, Buyer and Seller specifically acknowledge that they have read the preceding provision regarding forfeiture or the earnest money and agree to it.

Buyer (s) Initials DE KS Seller Initial \_\_\_\_\_

23. **Title Transfer.** Title shall be transferred by the bankruptcy trustee's quit claim deed.

24. **Possession.** Seller will use her commercially reasonable effort to deliver possession of the Property. However, if she cannot deliver possession by the later of 30 days after Bankruptcy Court Approval of the sale or 45 days after lender approval of short pay (or as extended by the parties), the Buyer may terminate the Agreement and receive his or her earnest money deposit but will have no other claims against the Seller.

25. **Disclosure Statement.** The Seller is a bankruptcy estate acting through its duly appointed trustee and therefore exempt from providing a real property transfer disclosure statement and therefore no such statement will be provided.

26. **Title Insurance.** The title insurance policy shall be subject only to liens, encumbrances, clouds and other matters as may appear on the preliminary title report, that are not to be removed at the close of Escrow, and have not been objected to by the Buyer. Should Seller be unwilling or unable to eliminate those title matters disapproved by the Buyer as above, the Seller may terminate the Agreement or; should Seller fail to deliver title as provided above, Seller and the Buyer may terminate the Agreement. In either case, the Buyer's deposit shall be returned to the Buyer, and the Buyer shall have no recourse against Seller or Charles D. H. as duly appointed Bankruptcy Trustee or individually, or the law firm of Shulman Hodges & Bastian LLP, the Estate or the Debtor, or any real estate agent, broker or attorney involved in the transaction. No real estate commission or finder's fee shall be payable to any broker in such event.

Buyer shall pay or cause to be paid all costs of Title Insurance. In the event that the Buyer's lender will only pay for or advance as part of the loan a portion of the costs of Title Insurance, it will be the responsibility of the Buyer to pay for any shortages. The title insurance company will be selected by Seller in her sole discretion.

27. **Sale Information.** After Initial Signing by the Seller, listing broker is authorized to report this Agreement to the Multiple Listing Associations, and to change the status from Active to Pending-Back-Up or Pending- Short Sale, or such other applicable listing association and anyone else related to the sale. Buyer and Seller authorize all lenders, closing agents, appraiser, title insurance companies and other parties related to the sale, to furnish the listing and/or selling brokers, on request, any and all information, and copies of documents concerning the status, progress and

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final disposition of financing, appraisal, closing, title condition, and any other matter concerning this sale, including Buyer's credit report and or proof of funds. After court approval the status is changed to Pending and no other offers can be accepted.

- 28. Sale Subject to Overbidding.** The sale of the Property is subject to the bidding procedures before the hearing or at the hearing on the motion for sale, at the sole discretion of the Trustee. The general overbid procedures are discussed further in paragraphs 29, and 30. **BUYER ACKNOWLEDGES THAT THE OVERBIDDING PROCEDURES MAY RESULT IN THE PROPERTY BEING SOLD TO A THIRD PARTY, IN WHICH EVENT BUYER'S DEPOSIT WILL BE REFUNDED TO BUYER AS BUYER'S SOLE AND EXCLUSIVE PAYMENT. ANY OTHER COSTS OR EXPENSES INCURRED BY BUYER IN ASSOCIATION WITH THE CONTEMPLATED PURCHASE OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, LOAN APPLICATION FEES, APPRAISAL FEES, INSPECTION FEES AND TITLE INSURANCE COSTS WILL NOT BE REIMBURSED AND REMAIN SOLELY BUYER'S EXPENSES. THE BUYER HAS ACKNOWLEDGED THIS BY INITIALING BELOW.**

Buyer (s) Initials KS AS Seller Initial \_\_\_\_\_

- 29. Subsequent Offers.** All purchase agreements are subject to approval and order of the U.S. Bankruptcy Court, and there cannot be mutual acceptance until final approval by the Bankruptcy Court. The Seller will apply to the Bankruptcy Court for approval of the sale set forth herein as soon as reasonably practicable. The Bankruptcy Court hearing will generally take place within six to eight weeks of Initial Signing. Mutual acceptance occurs upon final approval by the Bankruptcy Court. Further, if the trustee receives a better offer on the Property prior to or at the Bankruptcy Court hearing, the trustee may accept such offer contingent upon approval of the Bankruptcy Court and request that the court accept the better offer. This clause is an explanation of the law and removal of this clause from this Agreement will not change the law. The trustee agrees, however, to follow the procedure set forth in the next paragraph allowing for Buyer to attempt to match a competing offer. **BUYER REPRESENTS AND WARRANTS THAT NEITHER SELLER NOR ANY PARTY REPRESENTING SELLER HAS TOLD BUYER THAT THE BANKRUPTCY COURT WILL APPROVE THIS CONTEMPLATED SALE OR THAT THERE WILL BE OR SHOULD BE NO THIRD PARTY BIDDING OR BETTER OFFER.**
- 30. Competing Bids.** If Seller, subject to court approval, hereby agrees that the Buyer may match the proposed purchase price and terms of any third party offer. In order to bring this paragraph into effect, Buyer must notify the Seller of their intent to match the third party's offer within 24 hours of receipt from the Seller of notice of the third party's offer. The Seller's notice shall be in writing and state that the Buyer needs to meet or exceed the third party's price and other terms. This ability of Buyer to match other offers shall not apply during an auction of the Property. Buyer shall be required to comply with the bidding procedures established for such auction. If a written offer is received within 3 business days of the court hearing date, the court may have the proposed purchasers submit their last, highest and best offers at the hearing to approve the sale.
- 31. Feasibility Study.** If the Purchase Contract is subject to a feasibility study and the sale does not close because of any contingency which the Buyer does not waive, then prior to returning any earnest money or promissory note the Buyer shall provide the Seller a copy of every study, report, analysis or appraisal regarding the Property.
- 32. Real Estate Agent Commission.** Through escrow on the sale of the Property, and subject to Bankruptcy Court approval, the Trustee shall pay compensation for real estate agent services to the Buyer's agent and the Estate's

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agent. The maximum total commission allowed is six percent (6%) of the gross selling price. *IF COMMISSION IS REDUCED BY COURT ORDER OR LENDER, THEN LISTING AND SELLING BROKERS HEREBY AGREE TO REDUCE THEIR COMMISSIONS ACCORDINGLY.*

- 33. Attorneys' Fees.** In the event that either party hereto brings an action or other proceeding to enforce or interpret the terms and provisions of this Agreement, the prevailing party in that action or proceeding shall be entitled to have and recover from the non-prevailing party all such fees, costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as the prevailing party may suffer or incur in the pursuit or defense of such action or proceeding.
- 34. Termite Report/Repairs, Misc Repairs and Home Warranty.** The Buyer has agreed to waive the requirements and costs for a termite report and any repairs. The Buyer shall comply with any and all minimum mandatory government retrofit requirements. The Buyer will provide, if required by local law, a septic inspection and/or certificate. The Buyer will provide and pay for their own one year home warranty plan.
- 35. Lead Paint.** Many used homes, especially those constructed before 1978, contain lead based paint. Lead paint is poisonous, especially for children. The Seller has no knowledge with respect to the presence or absence of lead paint in the Property. The Buyer shall undertake such investigation as he or she deems prudent in the circumstances. The Buyer shall conduct an initial inspection for the presence of lead base paint within seven (7) day time frame set forth in paragraph 7 herein. However, provided that the Buyer obtains specimens for analysis with the original inspection period and delivers them to a laboratory, upon written notice to the Seller within the original seven (7) day period, the Buyer may have an additional ten (10) days to obtain the results of a laboratory analysis for the presence of lead. If the Buyer does not obtain such laboratory samples, deliver them to laboratory and provide the Seller with notice within seven (7) days of Initial Signing, this contingency will be deemed waived on the close of business seven (7) days from Initial Signing. Unless the Buyer notifies the Seller within such additional ten (10) day period that the Property is not acceptable due to the presence of an unsafe level of lead paint, then this contingency will be deemed waived.
- 36. Signs, Lockboxes, Keys and Occupancy.** Signs and lockboxes will typically be removed within 7 days after closing. If they are not removed within 7 days, please notify the Listing Brokerage. Do not remove them. If anything is lost or stolen, the Buyer's agent agrees to reimburse the Listing Brokerage for the cost of such items. If the Buyer needs to remove the doorknob to rekey, the Buyer is to leave the lockbox and sign beside the front door. Buyer's agent acknowledges that the Buyer has no right to move into the Property until escrow has closed. Buyer's agent shall not facilitate any such move in before closing. The Buyer shall not occupy the Property or move personal items into the Property, for any reason prior to notification from the escrow company that the Trustees Deed has been recorded. Any early occupancy by the Buyer will cause for immediate termination of escrow, at the Seller's unilateral discretion and loss of the Buyer's deposit, along with any civil charges, if necessary. The Buyer may approach the Seller to lease the property in advance of the closing. Any such lease will require prior court approval and will be documented by a written month to month lease agreement. Request for a lease before closing must be given to the listing agent directly. Buyer is advised to re-key Property immediately upon closing due to the possibility of other people having copies of keys. Seller expressly disclaims any express or implied representation or warranty that all keys have been delivered to Buyer.

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37. **Personal Property.** The Seller is a bankruptcy trustee and has no knowledge of whether or not there is any leased personal property on the premises. It shall be up to the Buyer to make an appropriate investigation to determine whether or not there is any leased property on the premises which in any case is not be included in the sale. The debtor(s) (i.e. the party or parties who filed bankruptcy) may claim personal property on the premises, such as, but not limited to, non built-in appliances, drapes, curtains, etc., as exempt property until the Property is transferred to Buyer. Any such personal property claimed by the debtors is not included in the sale.
38. **Right of Agency:** Buyer, Buyer's Agent, and any other representative of the Buyer will only contact the Listing Broker or Representative for the Listing Broker of the property. Any attempt to directly contact the Seller/Trustee or the staff of the Seller/Trustee will not be tolerated. If any representative of the Buyer contacts the Seller/Trustee or staff directly, the result will be an immediate cancellation of escrow at the sole and unilateral discretion of the Seller/Trustee, with the Buyer's earnest money deposit forfeited, and the Department of Real Estate notified regarding the breach in agency law.
39. **Priority of Documents:** This Agreement is made pursuant to the following documents: (1) Residential Purchase Agreement and Joint Escrow Instructions, (2) Addendum No. 1, (3) this ACSB and (4) Trustee Addendum to Agreement Re Conditions of Sale in Bankruptcy. Whenever possible, each provision of each document shall be interpreted in such a manner as to be consistent with all other documents; however in the event of a conflict among the document the documents shall control in the following order:
1. Trustee Addendum to Agreement Re Conditions of Sale in Bankruptcy;
  2. This ACSB;
  3. Addendum No.1; and
  4. Residential Purchase Agreement and Joint Escrow Instructions.
40. **NO VERBAL AGREEMENTS OR REPRESENTATIONS: BUYER ACKNOWLEDGES THAT THERE ARE NO VERBAL AGREEMENTS OR REPRESENTATIONS. BUYER IS RELYING SOLELY UPON THIS AGREEMENT. BUYER HEREBY STATES THAT BUYER HAS READ EACH DOCUMENT CONSTITUTING THIS AGREEMENT AND UNDERSTANDS EACH DOCUMENT. NOTHING HAS BEEN VERBALLY STATED TO OR OTHERWISE CONVEYED TO BUYER WHICH IS CONTRARY TO THE TERMS OF THIS AGREEMENT.**

X  
SELLER: Charles Daff  
\_\_\_\_\_, solely in his capacity as  
Chapter 7 Trustee for in re 16-19150  
and not in her individual capacity

DATE: \_\_\_\_\_

DocuSigned by:  
BUYER KARINA JIMENEZ  
\_\_\_\_\_  
DocuSigned by:  
BUYER Anthony S. L.  
\_\_\_\_\_

DATE 2/15/2017

DATE 2/15/2017

The Real Estate Brokers executing this ACSB do so to acknowledge that they are bound by the terms of the Agreement applicable to them.



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SELLERS BROKER:

Deborah L. Friebe  
By: Deborah L. Friebe  
Its: \_\_\_\_\_

DATE

2-17-17

BUYER'S BROKER

889C18F6B68D483...  
ADELAIDA CHOCANO  
By: Adelaida Chocano  
Its: \_\_\_\_\_

DATE

2/15/2017

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**TRUSTEE ADDENDUM TO AGREEMENT RE CONDITIONS OF SALE IN BANKRUPTCY**

The following is part of the purchase and sale agreement detailed: \_\_\_\_\_

between KARINA JIMENEZ Anthony Silva BUYER(S)

and Charles Daff Chapter 7 Bankruptcy Trustee for \_\_\_\_\_

Charles Arthur Case No. # 16-19150 SELLER  
35965 CARLTON RD., WILDOMAR CA 92595

Concerning: \_\_\_\_\_ (the "Property")

**IT IS AGREED BETWEEN THE BUYER AND SELLER AS FOLLOWS:**

**BUYER AGREES TO PAY THE STATUTORY BANKRUPTCY ESTATE FEE. THIS FEE IS TO BE PAID IN FULL AT CLOSING. THIS FEE CANNOT BE ROLLED INTO THE BUYERS LOAN. SEE EXHIBIT "B" FOR FEE SCHEDULE.**

**BUYER AGREES THAT IF COMMISSIONS ARE REDUCED BY EITHER A COURT ORDER OR A LENDER THE RESULTING COMMISSIONS ARE TO BE EVENLY DIVIDED BETWEEN THE LISTING AGENT AND THE SELLING AGENT.**

Selling Agent ADELAIDA CHOCANO

DocuSigned By: ADELAIDA CHOCANO

Buyer(s) Initials [KJ] [AS]

Seller Initials \_\_\_\_\_

**Exhibit 3**

Page 1 of 2

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### Trustee Fee Calculations

Purchase Price Range:  
\$50,000 – 235,000 = \$15,000 Fee  
\$240,000 - \$1,000,000 = 5% + 3250.00  
\$1,000,001 and higher = 3% + 25,750

Value	Fee
240,000	15,250
245,000	15,500
250,000	15,750
255,000	16,000
260,000	16,250
265,000	16,500
270,000	16,750
275,000	17,000
280,000	17,250
285,000	17,500
290,000	17,750
295,000	18,000
300,000	18,250
305,000	18,500
310,000	18,750
315,000	19,000
320,000	19,250
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500,000	28,250
505,000	28,500
510,000	28,750
515,000	29,000
520,000	29,250
525,000	29,500
530,000	29,750
535,000	30,000
540,000	30,250
545,000	30,500
550,000	30,750
555,000	31,000
560,000	31,250
565,000	31,500
570,000	31,750
575,000	32,000
580,000	32,250
585,000	32,500
590,000	32,750
595,000	33,000
600,000	33,250
605,000	33,500
610,000	33,750
615,000	34,000
620,000	34,250

Value	Fee
625,000	34,500
630,000	34,750
635,000	35,000
640,000	35,250
645,000	35,500
650,000	35,750
655,000	36,000
660,000	36,250
665,000	36,500
670,000	36,750
675,000	37,000
680,000	37,250
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690,000	37,750
695,000	38,000
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710,000	38,750
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725,000	39,500
730,000	39,750
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740,000	40,250
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770,000	41,750
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785,000	42,500
790,000	42,750
795,000	43,000
800,000	43,250
805,000	43,500
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815,000	44,000
820,000	44,250
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830,000	44,750
835,000	45,000
840,000	45,250
845,000	45,500
850,000	45,750
855,000	46,000
860,000	46,250
865,000	46,500
870,000	46,750
875,000	47,000
880,000	47,250
885,000	47,500
890,000	47,750
895,000	48,000
900,000	48,250
905,000	48,500
910,000	48,750
915,000	49,000
920,000	49,250
925,000	49,500
930,000	49,750
935,000	50,000
940,000	50,250
945,000	50,500
950,000	50,750
955,000	51,000
960,000	51,250
965,000	51,500
970,000	51,750
975,000	52,000
980,000	52,250
985,000	52,500
990,000	52,750
995,000	53,000
1,000,000	53,250



### EXHIBIT "B"

TRUSTEE: Charles Arthur  
Case# 16-19150

Buyer(s) Name:  
KARINA JIMENEZ

Anthony Silva

Purchase Price: \$350,000  
Fee: 21,750

Acknowledge by Circling agreed fee to the left and sign.

Signatures:

BUYER(S) DocuSigned by:  
KARINA JIMENEZ

FBC4042EF758460...

BUYER(S) DocuSigned by:  
Anthony Silva

FBC4042EF758460...

SELLER \_\_\_\_\_

## Exhibit 3

**Exhibit 4**  
**Debtors' Consent Letter**

Please respond to:  
Irvine

James C. Bastian, Jr.  
Shane M. Biornstad  
Lynda T. Bui  
Franklin J. Contreras, Jr.  
Melissa Davis Lowe  
Heather B. Dillion  
Elyza P. Eshaghi  
Brianna L. Frazier  
Kiara W. Gebhart  
Ronald S. Hodges  
J. Ronald Ignatuk  
Brandon J. Iskander  
Rika M. Kido  
Andrew J. Lee  
Ryan O'Dea  
Gary A. Pemberton  
Michael J. Petersen  
Samuel J. Romero  
Leonard M. Shulman

Of Counsel to the Firm  
A. Lavar Taylor  
Donald R. Kurtz  
Gregory J. Anderson  
Robert E. Huttenhoff  
Kerry A. Moynihan

February 22, 2017

Anerio V. Altman, Esq.  
Lake Forest Bankruptcy  
23151 Moulton Parkway, Suite 131  
Laguna Hills, CA 92653

Via Email Only  
avaesq@lakeforestbkoffice.com

Re: In re Charles David Arthur and Claire Bigornia Blanza Arthur  
Case No.: 6:16-bk-19150-MH

Dear Anerio:

As you know, our firm is general counsel for Charles W. Daff in his capacity as the duly appointed, qualified and acting Chapter 7 Trustee ("Trustee") for the bankruptcy estate ("Estate") of Charles David Arthur and Claire Bigornia Blanza Arthur ("Debtors"). This letter is to confirm our understanding regarding the short sale of the property located at **35965 Carlton Road, Wildomar, CA 92595** ("Property") and memorialize an agreement with the Debtors prior to the Estate undertaking of the short sale of the Property.

It is my understanding that the Debtors would like to proceed with a short sale of the Property because the liens that encumber it exceed its value, meaning that there is no equity. It is also my understanding the Debtors would like to proceed with the short sale so that they do not have a foreclosure on their record, making it easier for them to purchase another home later in their lives.

Based on the above and my discussions with you confirming that the Debtors would like to short sell the Property, the Estate will proceed with the short sell of the Property and the Debtors will agree to the below:

- The Debtors will surrender the Property. However, the Debtors do not have to vacate until the close of escrow as discuss below.
- The Debtors agree that the Trustee will market the Property for a short sale. The short sale is expressly conditioned on approval of the Bankruptcy Court and approval of the lender on the Property.

Anerio V. Altman, Esq.  
February 22, 2017  
Page 2

- Until such time as the Trustee has received an offer for the Property and negotiated a short sale of the Property (as described below), the Debtors agree to cooperate with the Trustee in maintaining the Property, which includes, but is not limited to: (1) maintaining the Property in good condition; (2) ensuring that there are no transfers of any interests in the Property or that the Property is further encumbered with any liens; and (3) maintaining current liability and hazard insurance for the Property, naming the Trustee as loss payee, and providing an updated proof of continuing coverage with each insurance renewal on the Property.
- The Debtors agree to cooperate with the Trustee's efforts to market the Property for a short sale and cooperate in the short sale process, including providing information as necessary and cooperate with the Trustee's realtor Deborah L. Priebe of Hyatt Relocation Corporation. If she has not already done so, Ms. Priebe will be contacting the Debtors shortly. Ms. Priebe is the Trustee's authorized agent; therefore, the Debtors will need to provide her and her representatives access to the Property. The Trustee has been assured by Ms. Priebe that all of her representatives will be cordial and understanding of the Debtors' current situation.
- The Trustee will file a Motion with the Bankruptcy Court to request approval of the short sale that provides payment of all expenses associated with the short sale, including (i) payment of a standard real estate brokerage commission to the Trustee's realtor and reimbursement of the realtor's out-of-pocket expenses, and (ii) a Trustee release fee for the Estate in an amount approved by me, to be paid by the buyer at the close of escrow to provide for meaningful distribution on allowed unsecured claims. Thus, the Property will not be sold unless the Estate receives funds to pay creditors.
- Once the short sale of the Property is approved by the Bankruptcy Court and by the lender on the Property, the Debtors will have a certain amount of time in which to vacate the Property so that it may be turned over to the buyer. We will endeavor to provide the Debtors and you with notice of the date to vacate the Property as soon as possible.
- The Debtors agree that any Trustee release fees paid to the Estate through the short sale of the Property shall be used by the Estate for payment of administrative claims of the Estate and allowed unsecured claims against the Estate.

Anerio V. Altman, Esq.  
February 22, 2017  
Page 3

- As the Property is encumbered by liens that exceed its value and there is no equity, the Debtors agree that they will not be entitled nor will they file amended schedules to claim an exemption in the Property and/or the funds generated from the sale of the Property, including the Trustee release fee.
- The Trustee will be listing the Property for sale in his capacity as the Chapter 7 Trustee for the Estate, and not in his personal capacity, and no liability or obligations shall accrue to me personally as a result of such listing.
- The Trustee reserves the right, in his sole discretion, to determine not to sell the Property if doing so does not benefit the Estate.

Based on the foregoing, by signing below, the Debtors accept and agree to proceed with the administering the Property through a short sale that is expressly conditioned on approval of the Bankruptcy Court and approval of the lender on the Property.

Very truly yours,

**SHULMAN HODGES & BASTIAN LLP**


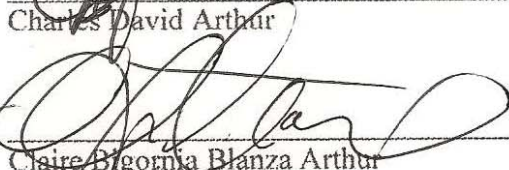


Rika M. Kido

RMK/amv

cc: Charles W. Daff, Chapter 7 Trustee (Via Email)  
Lynda T. Bui, Esq. (i/o)  
Debbie Priebe (Via Email)

**ACCEPTED AND AGREED**

  
\_\_\_\_\_  
Charles David Arthur  
\_\_\_\_\_  
Claire Blignia Blanza Arthur

Z:\A\B\Arthur, Charles & Claire\Ltr\Altman 001.docx  
5237-000/34



## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: **100 Spectrum Center Drive, Suite 600, Irvine, California 92618**

*A true and correct copy of the foregoing document entitled (specify): NOTICE OF SALE OF ESTATE PROPERTY will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:*

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) **April 25, 2017**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (date) **April 25, 2017**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) **Not Applicable**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

April 25, 2017  
Date

Lorre Clapp  
Printed Name

/s/ Lorre Clapp  
Signature

### NEF SERVICE LIST

- Anerio V Altman [lakeforestpacer@gmail.com](mailto:lakeforestpacer@gmail.com), [acolytehuli@gmail.com](mailto:acolytehuli@gmail.com) Attorney for the Debtors
- Lynda T. Bui [lbui@shbllp.com](mailto:lbuie@shbllp.com) Attorney for Chapter 7 Trustee
- Charles W Daff (TR) [charleswdaff@gmail.com](mailto:charleswdaff@gmail.com), [c122@ecfcbis.com](mailto:c122@ecfcbis.com), [daff@remote7solutions.com](mailto:daff@remote7solutions.com) Chapter 7 Trustee
- Rika M. Kido [rkido@shbllp.com](mailto:rkido@shbllp.com) [avernon@shbllp.com](mailto:avernon@shbllp.com) Attorney for Chapter 7 Trustee
- Erin M McCartney [bankruptcy@zbslaw.com](mailto:bankruptcy@zbslaw.com), [emccartney@ecf.courtdrive.com](mailto:emccartney@ecf.courtdrive.com) Attorney for Bank of America N.A.
- Valerie Smith [claims@recoverycorp.com](mailto:claims@recoverycorp.com) NEF for Interested Party
- United States Trustee (RS) [ustpreion16.rs.ecf@usdoj.gov](mailto:ustpreion16.rs.ecf@usdoj.gov) United States Trustee

### U.S. MAIL SERVICE LIST

- **Judge's Copy:** Hon Mark D. Houle, US Bankruptcy Court, 3420 Twelfth St, Suite 365, Riverside, CA 92501
- **Trustee's Broker:** Hyatt Relocation Corporation, Debora L. Priebe, 12707 High Bluff Drive, Suite 200, San Diego, CA 92130-2037
- **Buyer:** Karina Jimenez and Anthony Silva, 24915 Northern Dancer, Dr., Moreno Valley, CA 92551
- **Buyers' Broker:** Windermere Homes & Estates, Adelaida Chocano, 6965 El Camino Real, Suite 107, Carlsbad, CA 92009
- **Tax Collector:** Riverside County Tax Collector, 4080 Lemon Street, Riverside, CA 92501
- **Title Report Lien:** Bank of America, N.A., Attn President, 1800 Tapo Canyon Raod, Simi Valley, CA 93063
- **Title Report Lien:** Marriott International, Inc. Attn President, c/o Scott McIntyre, Esq., Rotkin Schmerin & McIntyre, 225 S Civic Dr #2-12, Palm Springs, CA 92262
- **Title Report Lien:** Estrella Hills Homeowners Association, a California Non-Profit Corporation, Attn President c/o Ronald D. Roup, Esq., Roup & Associates, a Law Corporation, 23101 Lake Center Drive, Suite 310, Lake Forest, CA 92630
- **Title Report Lien:** Estrella Hills Homeowners Association, a California Non-Profit Corporation, Attn President c/o Transpacific Management Service, 15661 Red Hill Avenue, Suite 201, Tustin, CA 92780-7300
- **Title Report Lien:** Estrella Hills Homeowners Association, a California Non-Profit Corporation, Attn President c/o Bender & Associates A Law Corporation, 29970 Technology Drive, Suite 211, Murrieta, CA 92563

### Court Mailing List

#### DEBTORS

CHARLES DAVID ARTHUR  
CLAIRE BIGORNIA BLANZA ARTHUR  
35965 CARLTON ROAD  
WILDOMAR, CA 92595-7639

#### COURT MAILING LIST

EMPLOYMENT DEVELOPMENT DEPT.  
BANKRUPTCY GROUP MIC 92E  
P.O. BOX 826880  
SACRAMENTO, CA 94280-0001

#### COURT MAILING LIST

CALIFORNIA BUSINESS BU  
1711 S MOUNTAIN AVE  
MONROVIA, CA 91016-4256

#### UNITED STATES TRUSTEE

UNITED STATES TRUSTEE (RS)  
3801 UNIVERSITY AVENUE, SUITE 720  
RIVERSIDE, CA 92501-3255

#### COURT MAILING LIST

FRANCHISE TAX BOARD  
BANKRUPTCY SECTION MS: A-340  
P.O. BOX 2952  
SACRAMENTO, CA 95812-2952

#### COURT MAILING LIST

CAPITAL ONE  
PO BOX 30285  
SALT LAKE CITY, UT 84130-0285

#### COURT MAILING LIST

BANK OF AMERICA, N.A.  
ZIEVE, BRODNAX & STEELE, LLP  
30 CORPORATE PARK, SUITE 45  
IRVINE, CA 92606-3401

#### COURT MAILING LIST

BUDGET CONTROL SVCS IN  
2950 S JAMAICA CT., SUITE 200  
AURORA, CO 80014-2685

#### COURT MAILING LIST

CASHCALL INC  
1 CITY BOULEVARD WEST  
SUITE 1000  
ORANGE CA 92868-3611

**COURT MAILING LIST**

CASHCALL INC  
ATTN BANKRUPTCY  
1600 S DOUGLASS RD  
ANAHEIM, CA 92806

**COURT MAILING LIST**

FED LOAN SERVICING  
PO BOX 69184  
HARRISBURG, PA 17106-9184

**COURT MAILING LIST**

IC SYSTEMS, INC  
444 HIGHWAY 96 EAST  
ST PAUL, MN 55127-2557

**COURT MAILING LIST**

MARRIOTT INTERNATIONAL, INC.  
SCOTT A. MCINTYRE  
225 S. CIVIC DRIVE #2-12  
PALM SPRINGS, CA 92262-7228

**COURT MAILING LIST**

MIDWST RCVRY  
2747 W CLAY ST STE A  
SAINT CHARLES, MO 63301-2557

**COURT MAILING LIST**

PROFESSIONAL FINANCE CO  
ATTN: BANKRUPTCY  
PO BOX 1686  
GREELEY, CO 80632-1686

**COURT MAILING LIST**

UNITED RESOURCE SYSTEM  
3501 S TELLER ST  
LAKEWOOD, CO 80235-2011

**CLAIM FILED**

DIRECTTV, LLC BY  
AMERICAN INFOSOURCE LP AS AGENT  
4515 N SANTA FE AVE  
OKLAHOMA CITY, OK 73118

**UNDELIVERABLE**

**COURT MAILING LIST**

RIVERSIDE DIVISION  
3420 TWELFTH STREET,  
RIVERSIDE, CA 92501-3819

**COURT MAILING LIST**

COLLECTION CONSULTANTS  
PO BOX 29050  
GLENDALE, CA 91209-9050

**COURT MAILING LIST**

FED LOAN SRVCG  
PO BOX 69184  
HARRISBURG, PA 17106-9184

**COURT MAILING LIST**

JOHN B. ARTHUR AND SUZANNE ARTHUR  
2813 PINE LAKES COURT  
STEVENSVILLE, MT 59870-6977

**COURT MAILING LIST**

MEDICREDIT, INC  
PO BOX 1629  
MARYLAND HEIGHTS, MO 63043-0629

**COURT MAILING LIST**

MIRAMAR SPORTS CARS  
7795 ARJONS SUITE 100A  
SAN DIEGO, CA 92126-4366

**COURT MAILING LIST**

PROGRESSIVE MANAGEMENT SYSTEMS  
1521 W CAMERON AVE  
1ST FLOOR  
WEST COVINA, CA 91790-2738

**NOTICE PURPOSES**

INTERNAL REVENUE SERVICE  
PO BOX 7346  
PHILADELPHIA, PA 19101-7346

**CLAIM FILED**

U.S. DEPARTMENT OF EDUCATION  
C/O FEDLOAN SERVICING  
PO BOX 69184  
HARRISBURG, PA 17106-9184

**RETURNED 2/13/2017, UNDELIVERABLE**

**COURT MAILING LIST**

BROWN & JOSEPH LTD  
1701 GOLF ROAD  
ROLLING MEADOWS, IL 60008-4247

**COURT MAILING LIST**

EOS CCA  
700 LONGWATER DR  
NORWELL, MA 02061-1624

**COURT MAILING LIST**

FINANCIAL DATA SYSTEMS  
ATTN: MANAGING OFFICER/AGENT  
1638 MILITARY CUTOFF RD  
WILMINGTON, NC 28403-5716

**COURT MAILING LIST**

MANAGEMENT TRUST INC.  
15661 RED HILL AVENUE, SUITE 201  
TUSTIN, CA 92780-7328

**COURT MAILING LIST**

MIDLAND FUNDING  
2365 NORTHSIDE DR  
SUITE 300  
SAN DIEGO, CA 92108-2709

**COURT MAILING LIST**

PRA RECEIVABLES MANAGEMENT LLC  
PO BOX 41202  
NORFOLK, VA 23541-1021

**COURT MAILING LIST**

SHELLPOINT MORTGAGE SE  
55 BEATTIE PL STE 110  
GREENVILLE, SC 29601-5115

**CLAIM FILED**

MIDLAND CREDIT MANAGEMENT, INC.  
AS AGENT FOR MIDLAND FUNDING LLC  
PO BOX 2011  
WARREN, MI 48090

RETURNED MAIL

**RETURNED 2/13/2017, UNDELIVERABLE**

**COURT MAILING LIST**

NATIONAL CREDIT SYSTEM  
PO BOX 31215  
ATLANTA, GA 30332-1001